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By: **Delegate G. Clagett**

Introduced and read first time: January 17, 2005

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Public School Construction - Funding - Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation  
4 of certain video lottery terminals; requiring the Governor to appoint a member  
5 of the State Racing Commission as a liaison to the State Lottery Commission;  
6 altering the membership of the State Lottery Commission; specifying certain  
7 requirements for members of the State Lottery Commission; requiring the  
8 Governor to appoint a member of the State Lottery Commission as a liaison to  
9 the State Racing Commission; providing that members of the State Lottery  
10 Commission may be compensated as provided in the State budget; authorizing  
11 the operation of video lottery terminals connected to a certain central computer  
12 that allows the State Lottery Commission to monitor a video lottery terminal  
13 and that has certain capabilities; prohibiting access to the central computer to  
14 certain licensees with a certain exception; providing that only a person with a  
15 certain video lottery operation license may offer a video lottery terminal for  
16 public use in the State; providing that this Act is statewide and exclusive in its  
17 effect and that certain laws do not apply to video lottery terminals authorized  
18 under this Act; authorizing the State Lottery Commission to conduct certain  
19 investigations and hearings; requiring the State Lottery Commission to adopt  
20 certain regulations; authorizing the State Lottery Commission to require a  
21 certain bond and collect certain fees, civil penalties, and taxes; authorizing the  
22 State Lottery Commission to inspect and seize certain equipment, financial  
23 information, and records without notice or warrant; authorizing the State  
24 Lottery Commission to issue a certain number of video lottery operation licenses  
25 under certain circumstances; requiring certain video lottery terminal  
26 manufacturers, video lottery operators, video lottery employees, and other  
27 individuals required by the State Lottery Commission to be licensed; providing  
28 for the application and licensing process; establishing certain eligibility criteria  
29 and disqualifying criteria for a video lottery operation license; requiring certain  
30 video lottery operation licensees to maintain certain numbers of live racing  
31 days; providing that the license of certain video lottery operation licensees may  
32 be revoked if a certain horse racing event or trade names and other items  
33 related to the event are transferred outside the State; requiring a certain  
34 licensee to conduct a certain annual race with certain exceptions; requiring  
35 certain video lottery operation licensees to submit to the State Lottery

1 Commission a certain plan to improve the quality and marketing of horse  
2 racing; requiring certain video lottery operation licensees to offer for sale a  
3 certain percentage of equity ownership to certain individuals under certain  
4 circumstances; requiring certain applicants and licensees to comply with certain  
5 provisions of law relating to minority business participation; specifying that  
6 certain collective bargaining agreements do not negate certain provisions of this  
7 Act; providing for the monitoring of certain provisions of this Act by the  
8 Governor's Office of Minority Affairs; providing for certain eligibility criteria  
9 and disqualifying criteria for certain licenses; providing for certain waivers of  
10 certain licensing requirements under certain circumstances; providing for  
11 certain license terms; stating the intent of the General Assembly relating to  
12 video lottery operation licenses; prohibiting a video lottery operation license  
13 from being transferred or pledged as collateral; prohibiting certain licensees  
14 from selling or otherwise transferring more than a certain percentage of the  
15 legal or beneficial interest unless certain conditions are met; requiring that the  
16 transfer of a certain interest in a person that holds a video lottery operation  
17 license be approved by the State Lottery Commission; requiring the Department  
18 of State Police to conduct certain background investigations in a certain  
19 manner; requiring the State Lottery Commission to buy or lease the video  
20 lottery terminals, associated equipment, and central computer authorized under  
21 this Act; specifying limits on the number of video lottery terminals allowed at  
22 certain facilities; providing the minimum payout for video lottery terminals and  
23 authorizing the State Lottery Commission to adopt certain video lottery  
24 terminal payouts; providing for the hours of operation of video lottery terminals;  
25 prohibiting the State Lottery Commission from issuing certain licenses under  
26 certain circumstances; prohibiting a video lottery operation licensee from  
27 offering food or beverages at no cost with a certain exception or from offering  
28 food and beverages below certain prices; requiring the State Lottery  
29 Commission to adopt certain regulations to reduce or mitigate the effects of  
30 problem gambling; authorizing the State Lottery Commission to reprimand a  
31 licensee or deny, suspend, or revoke certain licenses under certain  
32 circumstances; requiring the Comptroller to collect and distribute certain money  
33 in specified ways; establishing the Public School Construction Fund; requiring  
34 certain distributions from video lottery proceeds to the Public School  
35 Construction Fund to be used for a certain purpose; establishing a Purse  
36 Dedication Account under the authority of the State Racing Commission;  
37 providing for a certain distribution from video lottery proceeds to the Purse  
38 Dedication Account for horse racing; providing for certain distributions from the  
39 Purse Dedication Account for horse racing in a certain manner; authorizing the  
40 State to pay certain transportation costs; requiring the Department of  
41 Transportation to facilitate certain negotiations; requiring a certain  
42 transportation plan to be developed by certain counties; providing for the  
43 creation of certain local development councils; providing for appointment and  
44 membership of certain local development councils; requiring certain counties to  
45 develop certain plans to be reviewed by certain local development councils;  
46 specifying that certain local development grants should be used for certain  
47 purposes; authorizing certain fees and providing for a certain distribution from  
48 certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling

1 Fund in the Department of Health and Mental Hygiene; providing for certain  
2 disbursements from the Compulsive Gambling Fund for certain purposes;  
3 expanding the types of funds that a certain fire, rescue, and ambulance special  
4 fund may receive; exempting a certain procurement by the State Lottery  
5 Commission from certain provisions of law; requiring the State Lottery  
6 Commission to make a certain annual report by a certain date; requiring the  
7 Department of Transportation to conduct a certain study and make a certain  
8 report by a certain date; requiring a certain certification entity to conduct  
9 certain studies and make certain reports; making the provisions of this Act  
10 severable; providing for the staggering of the terms of certain new members of  
11 the State Lottery Commission; defining certain terms; providing for the  
12 termination of certain provisions of this Act; providing that certain provisions of  
13 this Act are contingent on the termination of another Act; and generally relating  
14 to the operation of video lottery terminals at certain locations in the State.

15 BY adding to

16 Article - Business Regulation  
17 Section 11-202(g)  
18 Annotated Code of Maryland  
19 (1998 Replacement Volume and 2004 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - State Government  
22 Section 9-105 and 9-108(d)  
23 Annotated Code of Maryland  
24 (2004 Replacement Volume)

25 BY adding to

26 Article - State Government  
27 Section 9-1A-01 through 9-1A-33 to be under the new subtitle "Subtitle 1A.  
28 Video Lottery Terminals"  
29 Annotated Code of Maryland  
30 (2004 Replacement Volume)

31 BY repealing and reenacting, with amendments,

32 Article - Public Safety  
33 Section 8-102  
34 Annotated Code of Maryland  
35 (2003 Volume and 2004 Supplement)

36 BY repealing and reenacting, without amendments,

37 Article - State Finance and Procurement  
38 Section 11-203(b)(2)  
39 Annotated Code of Maryland  
40 (2001 Replacement Volume and 2004 Supplement)

1 BY repealing and reenacting, with amendments,  
2 Article - State Finance and Procurement  
3 Section 11-203(a)(1)(xviii) and (xix) and (b)(3)  
4 Annotated Code of Maryland  
5 (2001 Replacement Volume and 2004 Supplement)

6 BY adding to  
7 Article - State Finance and Procurement  
8 Section 11-203(a)(1)(xx)  
9 Annotated Code of Maryland  
10 (2001 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - State Finance and Procurement  
13 Section 11-203(b)(2)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2004 Supplement)  
16 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

19 **Article - Business Regulation**

20 11-202.

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

24 **Article - State Government**

25 9-105.

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

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

30 (I) AT LEAST 25 YEARS OLD;

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

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

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

4 (2) A MEMBER OF THE COMMISSION MAY NOT:

5 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO  
6 LOTTERY TERMINALS;

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

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

11 (3) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL  
12 PARTY.

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

15 (C) THE COMMISSION SHALL INCLUDE:

16 (1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;

17 (2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE  
18 OR INVESTMENTS;

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

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

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

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

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

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

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

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

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

4 9-108.

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

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

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

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

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

14 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

15 9-1A-01.

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

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

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

25 (D) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE  
26 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY  
27 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY TERMINAL.

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

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

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

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

6 (1) INFORMATION RETRIEVAL;

7 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO  
8 LOTTERY TERMINALS; AND

9 (3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

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

11 (J) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND  
12 POLICIES OF AN APPLICANT OR LICENSEE.

13 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE  
14 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS  
15 SUBTITLE, INCLUDING:

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

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

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

25 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND  
26 OTHER RELATED ACTIVITIES.

27 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,  
28 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,  
29 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND  
30 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,  
31 ADOPTION, OR NATURAL RELATIONSHIP.

32 (M) "LICENSE" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A  
33 LICENSE REQUIRED UNDER THIS SUBTITLE.

34 (N) "LICENSEE" MEANS AN APPLICANT WHO HAS BEEN ISSUED A LICENSE  
35 REQUIRED UNDER THIS SUBTITLE.

36 (O) "MANUFACTURER" MEANS A PERSON:

1           (1)     THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,  
2 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL  
3 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY  
4 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS  
5 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO  
6 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS  
7 HOUSED;

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

10          (3)     THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE  
11 SALE, LEASE, OR OTHER ASSIGNMENT.

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

14   (Q)     "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY  
15 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

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

19   (S)     "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR  
20 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT  
21 SYSTEM.

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

26   (U)     "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A  
27 VIDEO LOTTERY TERMINAL.

28   (V)     "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO  
29 HOLDS A LICENSE.

30   (W)     "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY  
31 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

32   (X)     "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A  
33 HORSE RACETRACK THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY  
34 TERMINALS.

35   (Y)     (1)     "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER  
36 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,  
37 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:



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

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

9 (2) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OR DEVICE:

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

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

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

18 9-1A-02.

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

20 (B) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY  
21 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

22 (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO LOTTERY  
23 TERMINALS CONNECTED TO A CENTRAL COMPUTER THAT ALLOWS THE COMMISSION  
24 TO MONITOR A VIDEO LOTTERY TERMINAL.

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

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

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

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

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

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

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

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

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

16 (D) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE ISSUED BY  
17 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE  
18 STATE UNDER THIS SUBTITLE.

19 9-1A-03.

20 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY  
21 ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS  
22 EXPRESSLY PROVIDED IN THIS SUBTITLE ARE PROHIBITED.

23 (B) THIS SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE  
24 COMMISSION UNDER THIS SUBTITLE, DOES NOT APPLY TO:

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

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

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

30 (4) OTHER GAMING CONDUCTED UNDER TITLES 12 AND 13 OF THE  
31 CRIMINAL LAW ARTICLE.

32 9-1A-04.

33 (A) THE COMMISSION SHALL:

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

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

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

6 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE  
7 ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;

8 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK  
9 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE  
10 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED  
11 TO LICENSING;

12 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF  
13 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS  
14 SUBTITLE;

15 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS  
16 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO  
17 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO  
18 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND  
19 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO  
20 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS  
21 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND  
22 PROPER; AND

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

26 (B) THE COMMISSION MAY:

27 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT  
28 ANY PLACE WITHIN THE STATE IN THE COURSE OF ANY INVESTIGATION OR HEARING  
29 UNDER THIS SUBTITLE;

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

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

36 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

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

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

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

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

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

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

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

37 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
38 MANAGEMENT CONTROLS;

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

5 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF  
6 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC  
7 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER  
8 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE  
9 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS  
10 SUBTITLE AND THE REGULATIONS THAT SHALL BE ISSUED UNDER THIS SUBTITLE;

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

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

15 (15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS SUBTITLE.

16 (E) (1) THE COMMISSION MAY BY REGULATION REQUIRE AN APPLICANT OR  
17 LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE FAITHFUL  
18 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND ANY  
19 REGULATIONS ISSUED UNDER THIS SUBTITLE.

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

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

26 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY  
27 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS  
28 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

31 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO  
32 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY  
33 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL  
34 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,  
35 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES  
36 ARE PREPARED OR MAINTAINED;

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

1 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND  
2 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,  
3 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF  
4 EXAMINATION AND INSPECTION;

5 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND  
6 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING  
7 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,  
8 OR SIMILAR BUSINESS ENTITY; AND

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

13 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING  
14 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO  
15 THE COMMISSION.

16 9-1A-05.

17 (A) THE COMMISSION MAY ISSUE NO MORE THAN FIVE VIDEO LOTTERY  
18 OPERATION LICENSES.

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

21 (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT  
22 LAUREL PARK IN ANNE ARUNDEL COUNTY;

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

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

27 (4) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT THE  
28 HORSE RACECOURSE IN ALLEGANY COUNTY; AND

29 (5) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT THE  
30 OCEAN DOWNS RACECOURSE IN WORCESTER COUNTY.

31 (C) THE COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION  
32 LICENSE:

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

1 (2) FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR THE  
2 GEOGRAPHIC LOCATION ON JUNE 1, 2005, OF THE HORSE RACECOURSE FOR WHICH  
3 THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.

4 9-1A-06.

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

6 (1) A VIDEO LOTTERY OPERATOR;

7 (2) A MANUFACTURER;

8 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS  
9 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR  
10 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;  
11 AND

12 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

28 9-1A-07.

29 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN  
30 APPLICATION:

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

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

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

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

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

3 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE  
4 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE  
5 PERSON'S QUALIFICATIONS.

6 (2) APPLICANTS AND LICENSEES SHALL PROVIDE INFORMATION  
7 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING  
8 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

9 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,  
10 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS  
11 ISSUED UNDER THIS SUBTITLE.

12 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING  
13 DUTY TO:

14 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY  
15 THE COMMISSION; AND

16 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR  
17 HEARING CONDUCTED BY THE COMMISSION.

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

22 (5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT SHALL  
23 BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND  
24 INVESTIGATION PURPOSES.

25 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION  
26 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE  
27 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION  
28 PURPOSES.

29 (6) (I) APPLICANTS AND LICENSEES SHALL HAVE A DUTY TO INFORM  
30 THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON KNOWS OR SHOULD  
31 KNOW CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED  
32 UNDER THIS SUBTITLE.

33 (II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE  
34 AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR  
35 OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS  
36 SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.



1 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,  
2 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING  
3 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

4 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
5 OF THE APPLICANT OR LICENSEE;

6 (II) THE INTEGRITY OF ANY FINANCIAL BACKERS, INVESTORS,  
7 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF  
8 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

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

11 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
12 APPLICANT OR LICENSEE.

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

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

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

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

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

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

1 9-1A-08.

2 (A) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS SUBTITLE, A  
3 BUSINESS ENTITY APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE SHALL  
4 PROVIDE THE FOLLOWING INFORMATION:

5 (1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL  
6 BUSINESSES OPERATED BY THE BUSINESS ENTITY;

7 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES  
8 OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE  
9 BUSINESS ENTITY;

10 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND SUBSIDIARY  
11 COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES OF THE BUSINESS ENTITY;

12 (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL  
13 BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING, INTERMEDIARY, AND  
14 SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES;

15 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF  
16 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR  
17 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS  
18 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR  
19 BUSINESS ENTITIES;

20 (6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP INTERESTS,  
21 OR OTHER SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE OFFERED;

22 (7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,  
23 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY  
24 DEVICES UTILIZED BY THE BUSINESS ENTITY;

25 (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE BUSINESS  
26 ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND UNDERWRITERS AND THEIR  
27 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

28 (9) THE NAMES OF PERSONS OTHER THAN THE DIRECTORS AND  
29 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE  
30 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

31 (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE BUSINESS  
32 ENTITY;

33 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING  
34 ARRANGEMENTS;

35 (12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

36 (13) A LISTING OF STOCK OPTIONS.

1 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION  
2 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY  
3 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND  
4 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY SHALL, AS  
5 A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY  
6 OPERATION LICENSE:

7 (1) QUALIFY TO DO BUSINESS IN THE STATE; OR

8 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED  
9 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE  
10 COMMISSION MAY REQUIRE.

11 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE  
12 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE  
13 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM  
14 REQUIRED BY THE COMMISSION.

15 (D) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION LICENSE  
16 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING  
17 CRITERIA:

18 (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING  
19 EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR CONTROLS THE  
20 APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

21 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE  
22 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE  
23 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE  
24 OR REQUESTED BY THE COMMISSION;

25 (3) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE  
26 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY  
27 FACT MATERIAL TO QUALIFICATION;

28 (4) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO BE  
29 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, INFORMATION  
30 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE  
31 QUALIFICATION CRITERIA;

32 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO  
33 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN  
34 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN  
35 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE  
36 OR A GAMBLING OFFENSE;

37 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS  
38 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE  
39 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS PARAGRAPH; HOWEVER, AT

1 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE  
2 APPLICATION DURING THE PENDENCY OF THE CHARGE;

3 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED TO BE  
4 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF ECONOMIC  
5 GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE  
6 LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT  
7 PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE  
8 INIMICAL TO THE POLICIES OF THIS SUBTITLE;

9 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS  
10 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE  
11 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN  
12 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER  
13 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS  
14 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

15 (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON WHO  
16 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A  
17 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF  
18 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED  
19 UNDER THE CRIMINAL LAWS OF THE STATE;

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

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

28 (E) (1) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER  
29 THAN A HORSE RACECOURSE IN ALLEGANY COUNTY OR WORCESTER COUNTY, SHALL  
30 MEET THE FOLLOWING REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

31 (I) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR  
32 THE APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$150,000,000 IN  
33 DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS;  
34 AND

35 (II) 1. THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT  
36 LEAST 500 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO  
37 LOTTERY FACILITY; AND

38 2. THE POSITIONS CREATED UNDER THIS ITEM SHALL  
39 COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING  
40 PAYMENT OF A LIVING WAGE OR OTHER REQUIREMENTS RELATING TO

1 EMPLOYMENT IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY WILL BE  
2 LOCATED.

3 (F) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS A  
4 HORSE RACECOURSE IN ALLEGANY COUNTY OR OCEAN DOWNS SHALL MEET THE  
5 FOLLOWING 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 \$43,000,000 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 150 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 ALLEGANY  
15 COUNTY OR WORCESTER COUNTY.

16 9-1A-09.

17 (A) UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR  
18 OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE, AS A CONDITION  
19 OF LICENSURE, A VIDEO LOTTERY OPERATION LICENSEE SHALL MAINTAIN AT LEAST  
20 THE FOLLOWING LIVE RACING DAYS FOR HORSE RACING:

21 (1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND  
22 PIMLICO RACE COURSE;

23 (2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY;

24 (3) 21 DAYS FOR A LICENSEE AT A HORSE RACECOURSE IN ALLEGANY  
25 COUNTY; AND

26 (4) THE SAME NUMBER OF RACING DAYS FOR A LICENSEE AT OCEAN  
27 DOWNS RACE COURSE AS WERE CONDUCTED IN 2004.

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

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

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

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

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

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

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

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

20 (2) EACH PLAN SHALL INCLUDE:

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

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

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

28 2. AN ONGOING INVESTMENT IN THE CAPITAL  
29 MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING RELATED FACILITIES  
30 EQUAL TO AT LEAST ONE-THIRD OF THE REVENUES PROVIDED TO A VIDEO LOTTERY  
31 OPERATION LICENSEE UNDER § 9-1A-27 OF THIS SUBTITLE.

32 (3) THE RACING COMMISSION SHALL EVALUATE THE LEVEL OF  
33 REVENUES SPENT ON CAPITAL MAINTENANCE AND IMPROVEMENTS EVERY 5 YEARS  
34 AND SHALL REPORT TO THE GENERAL ASSEMBLY ON THE FINDINGS OF THE  
35 EVALUATION.

36 (4) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION  
37 THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE SHALL JOINTLY

1 DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE  
2 HORSE RACING INDUSTRY IN MARYLAND.

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

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

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

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

23 9-1A-10.

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

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

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

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

34 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON  
35 OR BEFORE AUGUST 31, 2005, AN APPLICANT FOR A VIDEO LOTTERY OPERATION  
36 LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL OFFER  
37 FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP,  
38 EITHER DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL  
39 HOLD THE APPLICANT'S:

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

2 (II) VIDEO LOTTERY OPERATION LICENSE.

3 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON  
4 OR BEFORE AUGUST 31, 2006, AN APPLICANT FOR A VIDEO LOTTERY OPERATION  
5 LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY COUNTY SHALL OFFER FOR  
6 SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP, EITHER  
7 DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE  
8 APPLICANT'S:

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

10 (II) VIDEO LOTTERY OPERATION LICENSE.

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

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

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

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

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

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

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

36 1. FAIR MARKET VALUE; OR





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

4 (H) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED  
5 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR  
6 AFTER JULY 1, 2008.

7 9-1A-11.

8 (A) (1) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A VIDEO  
9 LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY  
10 COUNTY, SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN  
11 THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

12 (2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE  
13 COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY OPERATION  
14 LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2005.

15 (B) (1) ON OR BEFORE OCTOBER 1, 2006, AN APPLICANT FOR A VIDEO  
16 LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY  
17 COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS  
18 SUBTITLE AND A \$1,500,000 APPLICATION FEE.

19 (2) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A VIDEO  
20 LOTTERY OPERATIONS LICENSE OR AN APPLICATION FEE FROM A HORSE  
21 RACECOURSE IN ALLEGANY COUNTY AFTER OCTOBER 1, 2006.

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

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

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

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

37 (3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH  
38 THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE LICENSEE  
39 SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE STATE.

1 9-1A-12.

2 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER  
3 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE  
4 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY  
5 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE  
6 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL  
7 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND  
8 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO  
9 LOTTERY OPERATION LICENSEES.

10 9-1A-13.

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

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

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

21 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY  
22 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF  
23 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

26 9-1A-14.

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

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

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

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

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

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

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

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

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

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

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

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

32 9-1A-15.

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

39        (B)     EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS  
40 THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER

1 PRINCIPAL EMPLOYEES OF THE MANUFACTURER, SHALL QUALIFY UNDER THE  
2 STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS  
3 SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

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

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

11 9-1A-16.

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

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

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

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

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

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

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

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

3 9-1A-17.

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

7 (1) PROPER APPLICATION FOR RENEWAL; AND

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

10 9-1A-18.

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

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

23 (1) PRECLUDE:

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

26 (II) THE ACCRUAL OF ANY MONETARY VALUE TO THE PRIVILEGE  
27 OF PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

28 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
29 SUBTITLE; AND

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

33 9-1A-19.

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

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

1 (2) PLEDGED AS COLLATERAL.

2 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN  
3 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

4 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED  
5 SALE OR TRANSFER; AND

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

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

13 9-1A-20.

14 (A) FOR A LICENSE ISSUED UNDER THIS SUBTITLE, THE DEPARTMENT OF  
15 STATE POLICE SHALL:

16 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN  
17 A TIMELY MANNER; AND

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

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

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

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

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

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

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

1 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE  
2 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY  
3 RECORDS CHECK.

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

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

12 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN  
13 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE  
14 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

15 9-1A-21.

16 (A) EACH VIDEO LOTTERY TERMINAL, THE ASSOCIATED EQUIPMENT, AND  
17 THE CENTRAL COMPUTER SHALL BE:

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

19 (2) UNDER THE CONTROL OF THE COMMISSION.

20 (B) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE  
21 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO  
22 LOTTERY OPERATION LICENSE FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL  
23 CONTRACT WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR  
24 PURCHASE OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND  
25 CENTRAL COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

26 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE  
27 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS  
28 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
29 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
30 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
31 TERMINALS.

32 9-1A-22.

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

36 (B) IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE  
37 RACECOURSE IN ALLEGANY COUNTY OR WORCESTER COUNTY, THE COMMISSION  
38 MAY NOT AUTHORIZE MORE THAN 1,000 VIDEO LOTTERY TERMINALS FOR



1 OPERATION UNDER A VIDEO LOTTERY OPERATION LICENSE ISSUED FOR A LOCATION  
2 AT A HORSE RACECOURSE IN ALLEGANY COUNTY OR WORCESTER COUNTY.

3 9-1A-23.

4 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS  
5 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL  
6 PAYOUT PERCENTAGE OF 90%.

7 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE  
8 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 90% BUT NOT MORE THAN 95% FOR  
9 VIDEO LOTTERY TERMINALS.

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

13 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2 A.M.

14 (C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE FOR ALL  
15 MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY OPERATION.

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

18 9-1A-24.

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

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

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

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

35 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT  
36 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE  
37 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN

1 AREAS OF THE VIDEO LOTTERY FACILITY WHERE VIDEO LOTTERY TERMINALS ARE  
2 LOCATED.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (I) LIMIT THE NUMBER AND LOCATION OF AND MAXIMUM  
11 WITHDRAWAL AMOUNTS FROM AUTOMATED TELLER MACHINES;

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

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

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

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

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

24 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM  
25 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY  
26 MARKETING PRACTICES.

27 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.

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

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

5 (I) THE SERIOUSNESS OF THE VIOLATION;

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

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

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

14 9-1A-26.

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

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

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

24 9-1A-27.

25 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
26 TERMINALS:

27 (1) 5% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN §  
28 9-1A-01 OF THIS SUBTITLE;

29 (2) ON A PROPERLY APPROVED TRANSMITTAL FROM THE COMMISSION,  
30 30% OF THE PROCEEDS FROM A VIDEO LOTTERY FACILITY TO THE VIDEO LOTTERY  
31 OPERATION LICENSEE THAT HOLDS THE LICENSE FOR THE FACILITY;

32 (3) (I) SUBJECT TO THE PROVISIONS OF ITEM (II) OF THIS ITEM, ON A  
33 PROPERLY APPROVED TRANSMITTAL FROM THE COMMISSION, 10% OF THE  
34 PROCEEDS FROM A VIDEO LOTTERY FACILITY TO THE COUNTY IN WHICH THE VIDEO  
35 LOTTERY FACILITY IS LOCATED TO BE USED AS A LOCAL DEVELOPMENT GRANT  
36 UNDER § 9-1A-30 OF THIS SUBTITLE;

1 (II) IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED  
2 FOR LAUREL PARK, 10% OF THE PROCEEDS SHALL BE USED AS A LOCAL  
3 DEVELOPMENT GRANT THAT SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

4 1. 73% TO ANNE ARUNDEL COUNTY;

5 2. 17% TO HOWARD COUNTY; AND

6 3. 10% TO THE CITY OF LAUREL;

7 (4) 5% TO THE SENATOR WILLIAM H. AMOSS FIRE, RESCUE, AND  
8 AMBULANCE FUND ESTABLISHED UNDER § 8-102 OF THE PUBLIC SAFETY ARTICLE;

9 (5) 10% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §  
10 9-1A-28 OF THIS SUBTITLE; AND

11 (6) 40% TO THE PUBLIC SCHOOL CONSTRUCTION FUND ESTABLISHED  
12 UNDER § 9-1A-29 OF THIS SUBTITLE.

13 (B) IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5%, ANY  
14 AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE DIVIDED  
15 EQUALLY AND PAID TO:

16 (1) THE PUBLIC SCHOOL CONSTRUCTION FUND ESTABLISHED UNDER §  
17 9-1A-29 OF THIS SUBTITLE; AND

18 (2) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28  
19 OF THIS SUBTITLE.

20 9-1A-28.

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

23 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §  
24 9-1A-27 OF THIS SUBTITLE.

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

27 (3) THE COMPTROLLER SHALL:

28 (I) ACCOUNT FOR THE FUND; AND

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

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

1 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A  
2 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION  
3 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

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

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

12 (1) 89% TO THOROUGHBRED PURSES; AND

13 (2) 11% TO THE MARYLAND-BRED RACE FUND.

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

16 (1) 89% TO STANDARD BRED PURSES; AND

17 (2) 11% TO THE STANDARD BRED RACE FUND.

18 (F) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO  
19 THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS AT THAT  
20 RACECOURSE.

21 9-1A-29.

22 (A) THERE IS A PUBLIC SCHOOL CONSTRUCTION FUND WHICH IS A SPECIAL  
23 CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE  
24 FINANCE AND PROCUREMENT ARTICLE.

25 (B) (1) THERE SHALL BE CREDITED TO THE PUBLIC SCHOOL  
26 CONSTRUCTION FUND ALL PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27  
27 OF THIS SUBTITLE.

28 (2) MONEY IN THE PUBLIC SCHOOL CONSTRUCTION FUND SHALL BE  
29 INVESTED AND REINVESTED BY THE STATE TREASURER, AND INTEREST AND  
30 EARNINGS SHALL ACCRUE TO THE FUND.

31 (C) MONEY IN THE PUBLIC SCHOOL CONSTRUCTION FUND SHALL ONLY BE  
32 USED TO PROVIDE FUNDING FOR PUBLIC SCHOOL CONSTRUCTION IN THE STATE.

33 (D) EXPENDITURES FROM THE PUBLIC SCHOOL CONSTRUCTION FUND SHALL  
34 BE MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

1 9-1A-30.

2 (A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS  
3 SUBTITLE SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN  
4 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY  
5 BE USED FOR THE FOLLOWING PURPOSES:

6 (1) INFRASTRUCTURE IMPROVEMENTS;

7 (2) FACILITIES;

8 (3) PUBLIC SAFETY;

9 (4) SANITATION;

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

11 AND

12 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE  
13 COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

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

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

22 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE  
23 FACILITY IS LOCATED;

24 (II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE  
25 COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

26 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION  
27 LICENSEE;

28 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE  
29 PROXIMITY TO THE FACILITY; AND

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

32 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT  
33 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A  
34 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT  
35 FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF  
36 THIS SECTION.

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

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

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

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

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

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

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

22 9-1A-31.

23          (A)     THE STATE MAY PAY FOR THE REASONABLE TRANSPORTATION COSTS TO:

24                   (1)     MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE  
25 PROXIMITY TO THE FACILITY; AND

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

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

28                           (I)     DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,  
29 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §  
30 9-1A-30 OF THIS SUBTITLE; AND

31                           (II)     APPROVED BY THE MARYLAND DEPARTMENT OF  
32 TRANSPORTATION.

33                   (2)     THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE  
34 PROVISIONS ON ROADS AND MASS TRANSIT.



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

4 9-1A-32.

5 (A) THE COMMISSION SHALL:

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

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

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

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

17 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED  
18 AND REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL  
19 ACCRUE TO THE FUND.

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

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

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

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

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

32 9-1A-33.

33 THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR AND,  
34 SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY:

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



- 1 (i) acquire or rehabilitate fire or rescue equipment, including  
2 ambulances;
- 3 (ii) acquire or rehabilitate capital equipment used in connection  
4 with fire or rescue equipment; and
- 5 (iii) rehabilitate facilities used primarily to house fire fighting  
6 equipment, ambulances, and rescue vehicles.
- 7 (2) State money provided under this section may not be used:
- 8 (i) for administrative costs;
- 9 (ii) for compensation or fringe benefits to employees or members of  
10 county governments, or fire, rescue, or ambulance companies;
- 11 (iii) for travel or meal expenses;
- 12 (iv) for fuel, utility, or routine maintenance costs of facilities or  
13 equipment;
- 14 (v) to acquire new or replacement fire hydrants, water mains, or  
15 emergency alarm systems not installed at a fire, rescue, or ambulance facility;
- 16 (vi) for insurance;
- 17 (vii) for fund-raising activities;
- 18 (viii) to refinance debt or another obligation incurred before July 1,  
19 1985;
- 20 (ix) to replace or repair eligible items to the extent that insurance  
21 proceeds are available;
- 22 (x) for costs associated with the "9-1-1" emergency telephone  
23 system; or
- 24 (xi) for land or interests in land.

25 **Article - State Finance and Procurement**

26 11-203.

- 27 (a) Except as provided in subsection (b) of this section, this Division II does  
28 not apply to:
- 29 (1) procurement by:
- 30 (xviii) the Maryland Energy Administration, when negotiating or  
31 entering into grants or cooperative agreements with private entities to meet federal

1 specifications or solicitation requirements related to energy conservation, energy  
2 efficiency, or renewable energy projects that benefit the State; [and]

3 (xix) the Maryland Developmental Disabilities Administration of the  
4 Department of Health and Mental Hygiene for family and individual support services,  
5 and individual family care services, as those terms are defined by the Department of  
6 Health and Mental Hygiene in regulation; AND

7 (XX) THE STATE LOTTERY AGENCY FOR NEGOTIATING AND  
8 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,  
9 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS;

10 (b) (2) Except for procurement under subsection (a)(1)(i) and (xii) and (2)(i)  
11 and (vi) of this section, the provisions of Title 14, Subtitle 3 of this article ("Minority  
12 Business Participation") shall apply to each procurement enumerated in subsection  
13 (a) of this section.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
15 read as follows:

16 **Article - State Finance and Procurement**

17 11-203.

18 (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through (xv)  
19 [and (xix)], (XIX), AND (XX) of this section shall be made under procedures that  
20 promote the purposes stated in § 11-201(a) of this subtitle.

21 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
22 read as follows:

23 **Article - State Finance and Procurement**

24 11-203.

25 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through (xv)  
26 [and (xix)], (XIX), AND (XX) of this section shall be made under procedures that  
27 promote the purposes stated in § 11-201(a) of this subtitle.

28 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this  
29 Act or the application thereof to any person or circumstance is held invalid for any  
30 reason in a court of competent jurisdiction, the invalidity does not affect other  
31 provisions or any other application of this Act which can be given effect without the  
32 invalid provision or application, and for this purpose the provisions of this Act are  
33 declared severable.

34 SECTION 5. AND BE IT FURTHER ENACTED, That the intent of this Act, and  
35 its various integrated provisions, is to provide for the authorization and regulation of  
36 certain gaming devices for the purpose of generating State revenues and other funds  
37 for specified purposes, including funding public school construction and assisting the

1 State's racing industry. This section is not intended to detract from the application of  
2 the severability provision contained in Section 4 of this Act or from the ability of a  
3 court of competent jurisdiction to consider and apply appropriate severability  
4 principles in the event of a judicial challenge to the validity of a specific portion or  
5 portions of the bill.

6 SECTION 6. AND BE IT FURTHER ENACTED, That the agency designated by  
7 the Board of Public Works under § 14-303(b) of the State Finance and Procurement  
8 Article of the Annotated Code of Maryland, in consultation with the General  
9 Assembly and the Office of the Attorney General, shall initiate two studies of the  
10 requirements of § 9-1A-09 of the State Government Article as enacted by Section 1 of  
11 this Act that evaluate the continued compliance of the requirement with any federal  
12 and constitutional requirements. In preparation for the studies, the State Lottery  
13 Commission shall require video lottery operation license applicants and licensees to  
14 provide any information necessary to perform the studies. The studies shall also  
15 evaluate race-neutral programs or other methods that can be used to address the  
16 needs of minority investors and minority businesses. A final report of the first study  
17 shall be submitted to the Legislative Policy Committee on or before December 1, 2006,  
18 so that the General Assembly may review the report prior to the 2007 Session. A final  
19 report of the second study shall be submitted to the Legislative Policy Committee on  
20 or before September 30, 2008, so that the General Assembly may review the report in  
21 conjunction with the report of the study on the Minority Business Enterprise Program  
22 prior to the 2009 Session.

23 SECTION 7. AND BE IT FURTHER ENACTED, That the Department of  
24 Transportation shall study the impact of the increased traffic resulting from any  
25 proposed operation of video lottery terminals at Pimlico Race Course, including the  
26 need for an interchange on Jones Falls Expressway between Northern Parkway and  
27 Interstate 695. The Department of Transportation shall provide a final report on the  
28 study required under this section to the General Assembly on or before December 1,  
29 2005, in accordance with § 2-1246 of the State Government Article.

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

- 34 (1) one member in 2006;  
35 (2) one member in 2007; and  
36 (3) two members in 2008.

37 SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
38 take effect June 1, 2005. It shall remain effective until the taking effect of Section 3 of  
39 this Act. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated  
40 and of no further force and effect.

1 SECTION 10. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
2 shall take effect on the expiration of Chapter 402 of the Acts of the General Assembly  
3 of 2003.

4 SECTION 11. AND BE IT FURTHER ENACTED, That, subject to the  
5 provisions of Sections 9 and 10 of this Act, this Act shall take effect June 1, 2005.