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

Introduced and read first time: January 26, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education Bridge to Excellence - 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; prohibiting an
22 individual from giving certain false information; establishing certain criminal
23 penalties; authorizing the State Lottery Commission to inspect and seize certain
24 equipment, financial information, and records without notice or warrant;
25 authorizing the State Lottery Commission to issue a certain number of video
26 lottery operation licenses under certain circumstances; requiring certain video
27 lottery terminal manufacturers, video lottery operators, video lottery employees,
28 and other individuals required by the State Lottery Commission to be licensed;
29 providing for the application and licensing process; establishing certain
30 eligibility criteria and disqualifying criteria for a video lottery operation license;
31 requiring certain video lottery operation licensees to maintain certain numbers
32 of live racing days; providing that the license of certain video lottery operation
33 licensees may be revoked if a certain horse racing event or trade names and
34 other items related to the event are transferred out of the State; requiring a
35 certain licensee to conduct a certain annual race with certain exceptions;

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

1 purposes; authorizing certain fees and providing for a certain distribution from
2 certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling
3 Fund in the Department of Health and Mental Hygiene; providing for certain
4 disbursements from the Compulsive Gambling Fund for certain purposes;
5 requiring the State Lottery Commission to make a certain annual report by a
6 certain date; exempting a certain procurement by the State Lottery Agency from
7 certain provisions of law; establishing a Video Lottery Facility Location
8 Commission; establishing the membership of the Video Lottery Facility Location
9 Commission; establishing certain eligibility requirements for membership on
10 the Video Lottery Facility Location Commission; providing for certain
11 reimbursements and staffing; allowing the Video Lottery Facility Location
12 Commission to award not more than a certain number of video lottery operation
13 licenses to certain nonracetrack destination locations; requiring certain
14 nonracetrack video lottery facilities to be in certain counties; requiring the Video
15 Lottery Facility Location Commission to consider certain factors; prohibiting the
16 State Lottery Commission from issuing certain licenses under certain
17 circumstances; requiring the State Lottery Commission to make certain
18 determinations and be responsible for certain matters relating to nonracetrack
19 destination locations; allowing a certain number of video lottery terminals for
20 nonracetrack destination locations; requiring the Department of Transportation
21 to conduct a certain study and make a certain report by a certain date; requiring
22 a certain certification entity to conduct certain studies and make certain
23 reports; making the provisions of this Act severable; providing for the staggering
24 of the terms of certain new members of the State Lottery Commission; defining
25 certain terms; providing for the termination of certain provisions of this Act;
26 providing that certain provisions of this Act are contingent on the termination of
27 another Act; and generally relating to the operation of video lottery terminals at
28 certain locations in the State.

29 BY adding to
30 Article - Business Regulation
31 Section 11-202(g)
32 Annotated Code of Maryland
33 (2004 Replacement Volume)

34 BY repealing and reenacting, without amendments,
35 Article - Education
36 Section 5-202(f)
37 Annotated Code of Maryland
38 (2004 Replacement Volume and 2004 Supplement)

39 BY repealing and reenacting, with amendments,
40 Article - State Government
41 Section 9-105 and 9-108(d)
42 Annotated Code of Maryland
43 (2004 Replacement Volume)

1 BY adding to
2 Article - State Government
3 Section 9-1A-01 through 9-1A-34 to be under the new subtitle "Subtitle
4 1A. Video Lottery Terminals"
5 Annotated Code of Maryland
6 (2004 Replacement Volume)

7 BY repealing and reenacting, with amendments,
8 Article - State Finance and Procurement
9 Section 11-203(a)(1)(xviii) and (xix)
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2004 Supplement)

12 BY adding to
13 Article - State Finance and Procurement
14 Section 11-203(a)(1)(xx)
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2004 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article - State Finance and Procurement
19 Section 11-203(b)(1) and (2)
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2004 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - State Finance and Procurement
24 Section 11-203(b)(1) and (2)
25 Annotated Code of Maryland
26 (2001 Replacement Volume and 2004 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article - State Finance and Procurement
29 Section 11-203(b)(2)
30 Annotated Code of Maryland
31 (2001 Replacement Volume and 2004 Supplement)
32 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

1

Article - Business Regulation

2 11-202.

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

6

Article - Education

7 5-202.

8 (f) (1) In this subsection, "GCEI adjustment" means the foundation
9 program for each county multiplied by:

- 10 (i) 0.000 in Allegany;
- 11 (ii) 0.018 in Anne Arundel;
- 12 (iii) 0.042 in Baltimore City;
- 13 (iv) 0.008 in Baltimore;
- 14 (v) 0.021 in Calvert;
- 15 (vi) 0.000 in Caroline;
- 16 (vii) 0.014 in Carroll;
- 17 (viii) 0.000 in Cecil;
- 18 (ix) 0.020 in Charles;
- 19 (x) 0.000 in Dorchester;
- 20 (xi) 0.024 in Frederick;
- 21 (xii) 0.000 in Garrett;
- 22 (xiii) 0.000 in Harford;
- 23 (xiv) 0.015 in Howard;
- 24 (xv) 0.010 in Kent;
- 25 (xvi) 0.034 in Montgomery;
- 26 (xvii) 0.048 in Prince George's;
- 27 (xviii) 0.011 in Queen Anne's;
- 28 (xix) 0.002 in St. Mary's;

- 1 (xx) 0.000 in Somerset;
- 2 (xxi) 0.000 in Talbot;
- 3 (xxii) 0.000 in Washington;
- 4 (xxiii) 0.000 in Wicomico; and
- 5 (xxiv) 0.000 in Worcester.

6 (2) To the extent funds are provided in the State budget for the grants
7 under this subsection, in addition to the State share of the foundation program, each
8 county board may receive a grant to reflect regional differences in the cost of
9 education that are due to factors outside of the control of the local jurisdiction.

10 (3) Subject to paragraph (4) of this subsection, the amount of the grant to
11 each county board under this subsection shall equal the GCEI adjustment for the
12 county board multiplied times:

- 13 (i) 0.50 in fiscal year 2006;
- 14 (ii) 0.62 in fiscal year 2007;
- 15 (iii) 0.74 in fiscal year 2008;
- 16 (iv) 0.86 in fiscal year 2009; and
- 17 (v) 1.00 in fiscal year 2010 and each fiscal year thereafter.

18 (4) For any fiscal year, if sufficient funds are not provided in the State
19 budget to fully fund the grants provided under this subsection, the grant to each
20 county board under this subsection shall equal the amount determined under
21 paragraph (3) of this subsection multiplied by a fraction:

- 22 (i) The numerator of which is the amount provided in the State
23 budget to fund the grants; and
- 24 (ii) The denominator of which is the sum of the amounts calculated
25 under paragraph (3) of this subsection for all the county boards.

26 **Article - State Government**

27 9-105.

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

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

- 32 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

8 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
9 LOTTERY TERMINALS;

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

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

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

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

18 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

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

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

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

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

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

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

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

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

6 9-108.

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

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

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

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

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

16 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

17 9-1A-01.

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

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

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

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

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

33 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
34 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN

1 AND WHO UTILIZES METHODS THAT ARE DEEMED BY THE COMMISSION AS CRIMINAL
2 VIOLATIONS INIMICAL TO THE INTEREST OF THE STATE.

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

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

8 (1) INFORMATION RETRIEVAL; AND

9 (2) 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 THAT 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 OF A PRODUCT DESCRIBED IN PARAGRAPH (1)
12 OF THIS SUBSECTION.

13 (P) "NONRACETRACK DESTINATION LOCATION" MEANS A LOCATION THAT IS
14 NOT A RACETRACK THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER
15 PROVIDED BY LAW A VIDEO LOTTERY OPERATION LICENSE.

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

18 (R) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
19 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

20 (S) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
21 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS, BUT
22 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

23 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
24 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
25 SYSTEM.

26 (U) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
27 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
28 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE PROGRESSIVE JACKPOTS.

29 (V) "VIDEO LOTTERY" MEANS GAMING OR BETTING THAT IS CONDUCTED
30 USING A VIDEO LOTTERY TERMINAL.

31 (W) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON THAT
32 HOLDS A LICENSE.

33 (X) "VIDEO LOTTERY FACILITY" MEANS A FACILITY WHERE PLAYERS PLAY
34 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

35 (Y) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A
36 PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

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

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

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

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

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

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

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

21 9-1A-02.

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

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

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

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

31 (3) THE CENTRAL COMPUTER MUST BE CAPABLE OF:

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

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

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

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

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

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

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

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

21 9-1A-03.

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

25 (B) THIS SECTION DOES NOT APPLY TO:

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

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

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

31 (4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
32 VETERANS', RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
33 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF
34 THE CRIMINAL LAW ARTICLE.

35 9-1A-04.

36 (A) THE COMMISSION SHALL:

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

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

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

9 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
10 ADMINISTRATIVE COSTS OF THIS SUBTITLE;

11 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES IN A BANK
12 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
13 LOTTERY FUND;

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

17 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
18 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
19 LOTTERY TERMINAL FOR THE PURPOSE OF:

20 (I) CERTIFYING REVENUE FROM THE VIDEO LOTTERY TERMINALS;

21 (II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

22 (III) CONDUCTING INVESTIGATIONS INTO THE OPERATION AND
23 MAINTENANCE OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT
24 AS THE COMMISSION CONSIDERS NECESSARY; AND

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

28 (B) THE COMMISSION MAY:

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

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

35 (3) PROVIDE FOR NOTICES OR SERVICE OF PROCESS IN CIVIL ACTIONS
36 TO BE SERVED AS PRESCRIBED UNDER THE MARYLAND RULES; AND

1 (4) PROPOUND WRITTEN INTERROGATORIES.

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

5 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
6 FOLLOWING SPECIFIC PROVISIONS:

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

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

15 (3) ESTABLISHING THE PROCEDURES FOR:

16 (I) FINGERPRINTING AN APPLICANT FOR ANY LICENSE REQUIRED
17 UNDER THIS SUBTITLE; AND

18 (II) PROVIDING OTHER METHODS OF IDENTIFICATION THAT MAY
19 BE NECESSARY IN THE JUDGMENT OF THE COMMISSION TO ACCOMPLISH EFFECTIVE
20 ENFORCEMENT OF THE PROVISIONS OF THIS SUBTITLE;

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

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

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

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

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

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

3 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
4 MANAGEMENT CONTROLS;

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

9 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF
10 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
11 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
12 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
13 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS
14 SUBTITLE;

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

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

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

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

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

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

30 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
31 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
32 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

35 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH:

36 1. VIDEO LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE
37 CONDUCTED;

1 2. AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED
2 EQUIPMENT, OR A CENTRAL COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED,
3 ASSEMBLED, MANUFACTURED, SOLD, DISTRIBUTED, OR SERVICED; OR

4 3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR
5 MAINTAINED;

6 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
7 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THE PREMISES;

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

12 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
13 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
14 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
15 OR SIMILAR BUSINESS ENTITY; AND

16 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF:

17 1. BOOKS, RECORDS, LEDGERS, CASH BOXES AND THEIR
18 CONTENTS;

19 2. A COUNTING ROOM OR ITS EQUIPMENT; OR

20 3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
21 OPERATIONS.

22 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
23 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
24 THE COMMISSION.

25 9-1A-05.

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

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

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

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

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

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

3 (5) AN OWNER OR OPERATOR OF A NONRACETRACK DESTINATION
4 LOCATION DESCRIBED UNDER § 9-1A-34 OF THIS SUBTITLE.

5 (C) EXCEPT FOR NONRACETRACK DESTINATION LOCATIONS, THE
6 COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION LICENSE:

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

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

12 9-1A-06.

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

14 (1) A VIDEO LOTTERY OPERATOR;

15 (2) A MANUFACTURER;

16 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
17 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
18 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
19 AND

20 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

1 9-1A-07.

2 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
3 APPLICATION:

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

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

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

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

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

12 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
13 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
14 PERSON'S QUALIFICATIONS.

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

18 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
19 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
20 ISSUED UNDER THIS SUBTITLE.

21 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
22 DUTY TO:

23 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
24 THE COMMISSION; AND

25 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
26 HEARING CONDUCTED BY THE COMMISSION.

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

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

34 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
35 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE

1 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
2 PURPOSES.

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

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

11 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
12 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
13 QUALIFICATIONS BY CLEAR AND CONVINCING EVIDENCE:

14 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
15 OF THE APPLICANT OR LICENSEE;

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

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

21 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
22 APPLICANT OR LICENSEE.

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

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

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

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

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

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

9 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION
10 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY
11 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION
12 REQUIRED BY THE COMMISSION.

13 (2) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A
14 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
15 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

16 9-1A-08.

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

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

22 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES,
23 IF ANY, OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF
24 THE BUSINESS ENTITY;

25 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND SUBSIDIARY
26 COMPANIES OR SIMILAR BUSINESS ENTITIES OF THE BUSINESS ENTITY;

27 (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
28 BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING, INTERMEDIARY, AND
29 SUBSIDIARY COMPANIES OR SIMILAR BUSINESS ENTITIES;

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

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

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

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

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

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

12 (11) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING
13 ARRANGEMENTS;

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

15 (13) A LISTING OF STOCK OPTIONS.

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

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

23 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
24 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
25 COMMISSION MAY REQUIRE.

26 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
27 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
28 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
29 REQUIRED BY THE COMMISSION.

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

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

36 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
37 QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A LICENSE, TO PROVIDE

1 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
2 OR REQUESTED BY THE COMMISSION;

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

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

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

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

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

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

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

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

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

3 (E) (1) THIS SUBSECTION DOES NOT APPLY TO AN APPLICANT FOR A VIDEO
4 LOTTERY OPERATION LICENSE FOR A NONRACETRACK DESTINATION LOCATION.

5 (2) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER
6 THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL MEET THE FOLLOWING
7 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

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

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

15 2. THE POSITIONS CREATED UNDER THIS ITEM SHALL
16 COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING
17 REQUIREMENTS RELATING TO EMPLOYMENT IN THE COUNTY WHERE THE VIDEO
18 LOTTERY FACILITY WILL BE LOCATED.

19 (F) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS A
20 HORSE RACECOURSE IN ALLEGANY COUNTY SHALL MEET THE FOLLOWING
21 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

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

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

28 (II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY
29 WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING
30 REQUIREMENTS RELATING TO EMPLOYMENT IN ALLEGANY COUNTY.

31 9-1A-09.

32 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
33 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

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

36 (1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND
37 PIMLICO RACE COURSE;

1 (2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND

2 (3) 21 DAYS FOR A LICENSEE AT A HORSE RACECOURSE IN ALLEGANY
3 COUNTY.

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

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

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

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

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

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

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

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

32 (2) EACH PLAN SHALL INCLUDE:

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

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

1 (B) SUBSECTIONS (C) THROUGH (F) OF THIS SECTION DO NOT APPLY TO A
2 VIDEO LOTTERY OPERATION LICENSE FOR A FACILITY THAT IS A NONRACETRACK
3 DESTINATION LOCATION.

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

10 (I) THOROUGHBRED OR HARNESS RACING LICENSE; AND

11 (II) VIDEO LOTTERY OPERATION LICENSE.

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

18 (I) THOROUGHBRED OR HARNESS RACING LICENSE; AND

19 (II) VIDEO LOTTERY OPERATION LICENSE.

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

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

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

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

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

35 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO
36 REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION
37 LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR
38 HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE

1 APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B) OF
2 THIS SECTION.

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

7 1. FAIR MARKET VALUE; OR

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

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

15 (F) (1) THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY
16 COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND BACKGROUND
17 INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE EQUITY OWNERS OF AN
18 APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

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

22 (G) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
23 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR
24 LICENSEE SHALL, AT A MINIMUM, MEET THE SAME REQUIREMENTS OF A
25 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER
26 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

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

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

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

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

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

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

12 (I) ON OR AFTER JULY 1, 2008, THE PROVISIONS OF THIS SECTION AND ANY
13 REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY
14 NOT BE ENFORCED.

15 9-1A-11.

16 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
17 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

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

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

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

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

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

35 9-1A-12.

36 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
37 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE

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

7 9-1A-13.

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

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

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

18 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY
19 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF
20 10 YEARS AND SUBMIT A LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

23 9-1A-14.

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

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

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

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

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

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

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

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

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

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

20 (8) 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 (9) ANY OTHER REASON ESTABLISHED IN THE REGULATIONS OF THE
27 COMMISSION AS A REASON FOR DENYING A LICENSE.

28 9-1A-15.

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

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

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

4 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
5 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
6 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
7 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.
8 9-1A-16.

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

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

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

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

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

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

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

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

1 9-1A-17.

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

5 (1) PROPER APPLICATION FOR RENEWAL; AND

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

8 9-1A-18.

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

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

21 (1) PRECLUDE:

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

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

26 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
27 SUBTITLE; AND

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

31 9-1A-19.

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

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

34 (2) PLEDGED AS COLLATERAL.

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

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

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

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

12 9-1A-20.

13 (A) THE DEPARTMENT OF STATE POLICE SHALL:

14 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
15 A TIMELY MANNER; AND

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

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

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

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

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

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

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

34 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
35 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
36 RECORDS CHECK.

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

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

9 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN
10 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE
11 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

12 9-1A-21.

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

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

16 (2) UNDER THE CONTROL OF THE COMMISSION.

17 (B) (1) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE
18 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO
19 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT
20 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF
21 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
22 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

23 (2) (I) PROVIDED THE VIDEO LOTTERY TERMINALS MEET
24 COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY
25 SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF
26 VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE
27 FACILITY.

28 (II) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION
29 LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE
30 VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.

31 9-1A-22.

32 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
33 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

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

1 (C) IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE
2 RACECOURSE IN ALLEGANY COUNTY, THE COMMISSION MAY NOT AUTHORIZE MORE
3 THAN 1,000 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY
4 OPERATION LICENSE ISSUED FOR A LOCATION AT A HORSE RACECOURSE IN
5 ALLEGANY COUNTY.

6 9-1A-23.

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

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

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

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

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

19 9-1A-24.

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

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

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

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

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

1 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
2 TERMINALS ARE 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 THE 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) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5%
28 TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS
29 SUBTITLE; AND

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

33 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A HORSE RACE
34 TRACK, THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
35 TERMINALS:

1 (1) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
2 9-1A-29 OF THIS SUBTITLE;

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

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

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

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

15 (IV) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
16 RACECOURSE IN ALLEGANY COUNTY, 39% TO THE HOLDER OF THE VIDEO LOTTERY
17 OPERATION LICENSE AT THE RACECOURSE IN ALLEGANY COUNTY;

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

- 22 1. 1.78% TO BALTIMORE CITY;
- 23 2. 1.78% TO PRINCE GEORGE'S COUNTY;
- 24 3. 0.7% TO ANNE ARUNDEL COUNTY;
- 25 4. 0.33% TO HOWARD COUNTY; AND
- 26 5. 0.16% TO THE CITY OF LAUREL; AND

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

30 (4) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
31 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
32 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND
33 LAUREL PARK, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
34 9-1A-27 OF THIS SUBTITLE FOR THOROUGHBRED PURSES AND THE
35 MARYLAND-BRED RACE FUND; AND

1 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
2 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
3 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
4 LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND LAUREL PARK, 5.95% TO
5 THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
6 SUBTITLE FOR THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND;

7 (5) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
8 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
9 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.25%
10 TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
11 SUBTITLE FOR STANDARDBRED PURSES AND THE STANDARDBRED RACE FUND; AND

12 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
13 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
14 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
15 LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.95% TO THE PURSE
16 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE FOR
17 STANDARDBRED PURSES AND THE STANDARDBRED RACE FUND; AND

18 (6) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
19 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
20 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY
21 COUNTY, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28
22 OF THIS SUBTITLE TO BE DIVIDED BETWEEN STANDARDBRED AND THOROUGHBRED
23 PURSES AND THE MARYLAND-BRED RACE FUND AND THE STANDARDBRED RACE
24 FUND IN PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND
25 STANDARDBRED RACING DAYS CONDUCTED; AND

26 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
27 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
28 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
29 LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY COUNTY, 5.95% TO THE
30 PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE TO
31 BE DIVIDED BETWEEN STANDARDBRED AND THOROUGHBRED PURSES AND THE
32 MARYLAND-BRED RACE FUND AND THE STANDARDBRED RACE FUND IN
33 PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND
34 STANDARDBRED RACING DAYS CONDUCTED.

35 (C) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A
36 NONRACETRACK DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM
37 THE PROCEEDS OF VIDEO LOTTERY TERMINALS:

38 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
39 COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID TO THE VIDEO
40 LOTTERY FACILITY;

1 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
2 COMMISSION, 4.75% IN LOCAL DEVELOPMENT GRANTS TO THE COUNTY WHERE THE
3 VIDEO LOTTERY FACILITY IS LOCATED; AND

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

6 (D) (1) FOR A VIDEO LOTTERY FACILITY THAT IS A HORSE RACECOURSE, IF
7 THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% IN THE FIRST YEAR
8 OF VIDEO LOTTERY TERMINAL OPERATION OR LESS THAN 4.3% IN THE SECOND YEAR
9 OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY
10 AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE DIVIDED
11 EQUALLY AND PAID TO:

12 (I) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29
13 OF THIS SUBTITLE; AND

14 (II) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
15 9-1A-28 OF THIS SUBTITLE.

16 (2) FOR A VIDEO LOTTERY FACILITY THAT IS A NONRACETRACK
17 DESTINATION LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS
18 THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION OR LESS
19 THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND
20 EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY
21 AGENCY SHALL BE PAID TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
22 9-1A-29 OF THIS SUBTITLE.

23 9-1A-28.

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

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

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

30 (3) THE COMPTROLLER SHALL:

31 (I) ACCOUNT FOR THE FUND; AND

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

35 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
36 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 SUBSECTION (E) OF THIS SECTION, THE
5 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE
6 COURSE, LAUREL PARK, AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE
7 ATTRIBUTABLE TO THE THOROUGHBRED INDUSTRY UNDER § 9-1A-27 OF THIS
8 SUBTITLE TO:

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

12 (2) THE MARYLAND-BRED RACE FUND.

13 (D) SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION, THE
14 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE ROSECROFT
15 RACEWAY AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE ATTRIBUTABLE
16 TO THE STANDARDBRED INDUSTRY UNDER § 9-1A-27 OF THIS SUBTITLE TO:

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

19 (2) THE STANDARDBRED RACE FUND.

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

22 (1) 89% TO THOROUGHBRED PURSES; AND

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

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

26 (1) 89% TO STANDARDBRED PURSES; AND

27 (2) 11% TO THE STANDARDBRED RACE FUND.

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

31 (H) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM THE
32 FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION AND \$125,000 FROM THE FUNDS
33 UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO PROVIDING IMPROVED
34 HEALTH BENEFITS FOR JOCKEYS AND HARNESS RACING DRIVERS IN THE STATE.

1 9-1A-29.

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

5 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL
6 PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.

7 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
8 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO
9 THE FUND.

10 (C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO:

11 (1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE
12 EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN
13 PREKINDERGARTEN THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE
14 PROGRAMS COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC
15 SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL
16 ASSEMBLY OF 2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE
17 COST OF EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE; AND

18 (2) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND
19 PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH
20 5-303 OF THE EDUCATION ARTICLE.

21 (D) (1) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET AN
22 APPROPRIATION FROM THE EDUCATION TRUST FUND OF AT LEAST \$50 MILLION FOR
23 REGIONAL DIFFERENCES IN THE COST OF EDUCATION UNDER § 5-202(F) OF THE
24 EDUCATION ARTICLE AND \$100 MILLION FOR SCHOOL CONSTRUCTION AND CAPITAL
25 IMPROVEMENTS UNDER §§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE.

26 (2) ALL OTHER EXPENDITURES FROM THE EDUCATION TRUST FUND
27 SHALL BE MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

28 9-1A-30.

29 (A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS
30 SUBTITLE SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN
31 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY
32 BE USED FOR THE FOLLOWING PURPOSES:

33 (1) INFRASTRUCTURE IMPROVEMENTS;

34 (2) FACILITIES;

35 (3) PUBLIC SAFETY;

36 (4) SANITATION;

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

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

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

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

13 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE
14 FACILITY IS LOCATED;

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

17 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION
18 LICENSEE;

19 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE
20 PROXIMITY TO THE FACILITY; AND

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

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

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

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

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

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

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

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

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

13 9-1A-31.

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

15 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
16 PROXIMITY TO THE FACILITY; AND

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

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

19 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,
20 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §
21 9-1A-30 OF THIS SUBTITLE; AND

22 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
23 TRANSPORTATION.

24 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
25 PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT, IF MASS
26 TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE
27 THE VIDEO LOTTERY TERMINAL FACILITY IS LOCATED.

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

31 9-1A-32.

32 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

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

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

24 9-1A-33.

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

27 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY
28 OPERATION UNDER THIS SUBTITLE; AND

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

32 **Article - State Finance and Procurement**

33 11-203.

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

1 (1) procurement by:

2 (xviii) the Maryland Energy Administration, when negotiating or
3 entering into grants or cooperative agreements with private entities to meet federal
4 specifications or solicitation requirements related to energy conservation, energy
5 efficiency, or renewable energy projects that benefit the State; [and]

6 (xix) the Maryland Developmental Disabilities Administration of the
7 Department of Health and Mental Hygiene for family and individual support services,
8 and individual family care services, as those terms are defined by the Department of
9 Health and Mental Hygiene in regulation; OR

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

13 (b) (1) The following provisions of this Division II apply to each procurement
14 enumerated in subsection (a) of this section:

15 (i) § 11-205 of this subtitle ("Fraud in procurement");

16 (ii) § 12-204 of this article ("Board approval for designated
17 contracts");

18 (iii) Title 12, Subtitle 2 of this article ("Supervision of Capital
19 Expenditures and Real Property Leases");

20 (iv) § 13-219 of this article ("Required clauses - Nondiscrimination
21 clause");

22 (v) § 13-221 of this article ("Disclosures to Secretary of State");

23 (vi) Title 16 of this article ("Debarment of Contractors"); and

24 (vii) Title 17 of this article ("Special Provisions - State and Local
25 Subdivisions").

26 (2) Except for procurement under subsection (a)(1)(i) and (xii) and (2)(i)
27 and (vi) of this section, the provisions of Title 14, Subtitle 3 of this article ("Minority
28 business participation") shall apply to each procurement enumerated in subsection (a)
29 of this section.

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

32 **Article - State Government**

33 9-1A-34.

34 (A) THERE IS A VIDEO LOTTERY FACILITY LOCATION COMMISSION.

1 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION CONSISTS OF
2 NINE MEMBERS.

3 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
4 PRESIDENT OF THE SENATE.

5 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER
6 OF THE HOUSE.

7 (III) FIVE OF THE MEMBERS SHALL BE APPOINTED BY THE
8 GOVERNOR.

9 (3) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION
10 COMMISSION SERVE AT THE PLEASURE OF THE INDIVIDUAL WHO APPOINTED THE
11 MEMBER.

12 (4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION
13 COMMISSION SHALL CHOOSE A CHAIRMAN FROM AMONG THE MEMBERS.

14 (C) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

15 (1) SHALL BE AT LEAST 21 YEARS OF AGE;

16 (2) SHALL BE A CITIZEN OF THE UNITED STATES;

17 (3) SHALL BE A RESIDENT OF THE STATE AT THE TIME OF
18 APPOINTMENT;

19 (4) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
20 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
21 OR MORAL TURPITUDE;

22 (5) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO
23 HOLDS A LICENSE UNDER THIS SUBTITLE;

24 (6) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST,
25 OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR
26 OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING
27 HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

28 (7) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
29 RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING OR
30 LOTTERY; AND

31 (8) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
32 MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING
33 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
34 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING ACTIVITY.

35 (D) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

1 (1) MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE VIDEO
2 LOTTERY FACILITY LOCATION COMMISSION; BUT

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

5 (E) THE STATE LOTTERY COMMISSION SHALL PROVIDE STAFF TO THE VIDEO
6 LOTTERY FACILITY LOCATION COMMISSION.

7 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT
8 MORE THAN TWO VIDEO LOTTERY OPERATION LICENSES:

9 (1) FOR NONRACETRACK DESTINATION LOCATIONS TO QUALIFIED
10 BIDDERS; AND

11 (2) THROUGH A COMPETITIVE PROCESS CONSISTENT WITH THE
12 PROCESS ESTABLISHED FOR COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE
13 STATE FINANCE AND PROCUREMENT ARTICLE.

14 (G) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY FACILITY LICENSE
15 UNDER THIS SECTION, A PROPOSED VIDEO LOTTERY FACILITY SHALL BE LOCATED
16 IN ONE OF THE FOLLOWING COUNTIES:

17 (I) PRINCE GEORGE'S COUNTY;

18 (II) HOWARD COUNTY;

19 (III) BALTIMORE CITY;

20 (IV) BALTIMORE COUNTY;

21 (V) HARFORD COUNTY; OR

22 (VI) CECIL COUNTY.

23 (2) A NONRACETRACK VIDEO LOTTERY FACILITY UNDER THIS SECTION
24 MAY NOT BE LOCATED ON THE SITE OF ANY HORSE RACECOURSE IN THE STATE
25 EXISTING ON JULY 1, 2004.

26 (H) IN AWARDED A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO
27 LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE FOLLOWING
28 FACTORS:

29 (1) THE HIGHEST POTENTIAL BENEFIT TO THE STATE;

30 (2) THE CAPITAL CONSTRUCTION PROPOSAL FOR A VIDEO LOTTERY
31 FACILITY, INCLUDING ANY ROAD IMPROVEMENTS THAT MAY BE REQUIRED;

32 (3) ESTIMATED REVENUES FOR THE STATE AND LOCAL JURISDICTION
33 FROM THE VIDEO LOTTERY FACILITY, INCLUDING PROPERTY TAX REVENUES;

1 (4) THE NUMBER OF JOBS TO BE CREATED DUE TO THE VIDEO LOTTERY
2 FACILITY;

3 (5) THE AMOUNT OF AN INITIAL LICENSE FEE TO BE PAID ON AWARD OF
4 A BID;

5 (6) THE PERCENTAGE OF MINORITY PARTICIPATION IN THE OWNERSHIP
6 OF THE VIDEO LOTTERY FACILITY;

7 (7) THE LOCATION OF THE PROPOSED VIDEO LOTTERY FACILITY;

8 (8) IMPACT ON OTHER ENTERTAINMENT OR GAMING ESTABLISHMENTS;

9 (9) THE COMPATIBILITY OF THE PROPOSED FACILITY WITH THE
10 SURROUNDING COMMUNITY; AND

11 (10) ANY OTHER FACTOR DEEMED RELEVANT IN MAKING A
12 DETERMINATION.

13 (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
14 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT
15 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

16 (J) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
17 REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL RELEVANT
18 INFORMATION CONCERNING A PERSON WHO MAKES A BID UNDER THIS SECTION.

19 (2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS
20 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL DETERMINE WHETHER A
21 BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE
22 UNDER THIS SUBTITLE.

23 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY
24 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
25 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO
26 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

27 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AUTHORIZE
28 A TOTAL OF 4,000 VIDEO LOTTERY TERMINALS TO BE DIVIDED BETWEEN THE TWO
29 NONRACETRACK DESTINATION FACILITIES AS PROVIDED BY THE VIDEO LOTTERY
30 FACILITY LOCATION COMMISSION.

31 (L) AFTER AWARD OF A VIDEO LOTTERY OPERATION LICENSE UNDER THIS
32 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL BE RESPONSIBLE FOR ALL
33 MATTERS RELATING TO REGULATION OF THE LICENSEE.

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

1 **Article - State Finance and Procurement**

2 11-203.

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

6 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
7 read as follows:

8 **Article - State Finance and Procurement**

9 11-203.

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

13 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
14 Act or the application thereof to any person or circumstance is held invalid for any
15 reason in a court of competent jurisdiction, the invalidity does not affect other
16 provisions or any other application of this Act which can be given effect without the
17 invalid provision or application, and for this purpose the provisions of this Act are
18 declared severable.

19 SECTION 6. AND BE IT FURTHER ENACTED, That the intent of this Act
20 and its various integrated provisions is to provide for the authorization and
21 regulation of certain gaming devices for the purpose of generating State revenues and
22 other funds for specified purposes, including funding public education and assisting
23 the State's racing industry. This section is not intended to detract from the
24 application of the severability provision contained in Section 5 of this Act or from the
25 ability of a court of competent jurisdiction to consider and apply appropriate
26 severability principles in the event of a judicial challenge to the validity of a specific
27 portion or portions of this Act.

28 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated
29 by the Board of Public Works under § 14-303(b) of the State Finance and
30 Procurement Article of the Annotated Code of Maryland, in consultation with the
31 General Assembly and the Office of the Attorney General, shall initiate two studies of
32 the requirements of § 9-1A-10 of the State Government Article as enacted by Section
33 1 of this Act that evaluate the continued compliance of the requirement with any
34 federal and constitutional requirements. In preparation for the studies, the State
35 Lottery Commission shall require video lottery operation license applicants and
36 licensees to provide any information necessary to perform the study. The studies shall
37 also evaluate race-neutral programs or other methods that can be used to address the
38 needs of minority investors and minority businesses. A final report of the first study
39 shall be submitted to the Legislative Policy Committee on or before December 1, 2006,
40 so that the General Assembly may review the report prior to the 2007 Session. A final

1 report of the second study shall be submitted to the Legislative Policy Committee on
2 or before September 30, 2008, so that the General Assembly may review the report in
3 conjunction with the report of the study on the Minority Business Enterprise Program
4 prior to the 2009 Session.

5 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of
6 Transportation shall study the impact of the increased traffic resulting from any
7 proposed operation of video lottery terminals at Pimlico Race Course, including the
8 need for an interchange on Jones Falls Expressway between Northern Parkway and
9 Interstate 695. The Department of Transportation shall provide a final report on the
10 study required under this section to the General Assembly on or before December 1,
11 2005, in accordance with § 2-1246 of the State Government Article.

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

- 16 (1) one member in 2007;
- 17 (2) one member in 2008; and
- 18 (3) two members in 2009.

19 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act
20 shall take effect June 1, 2005. It shall remain effective for a period of 1 year following
21 the award of the second video lottery operation license for a nonracetrack destination
22 location and with no further action required by the General Assembly, Section 2 of
23 this Act shall be abrogated and of no further force and effect. On award of the second
24 video lottery operation license, the Video Lottery Facility Location Commission
25 within 5 days after the award shall notify in writing the Department of Legislative
26 Services, 90 State Circle, Annapolis, Maryland 21401.

27 SECTION 11. AND BE IT FURTHER ENACTED, That Section 4 of this Act
28 shall take effect on the taking effect of the termination provision specified in Section
29 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination
30 provision takes effect, Section 3 of this Act shall be abrogated and of no further force
31 and effect. This Act may not be interpreted to have any effect on that termination
32 provision.

33 SECTION 12. AND BE IT FURTHER ENACTED, That, subject to Sections 10
34 and 11 of this Act, this Act shall take effect June 1, 2005.