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By: **Delegates Bozman and Conway**

Introduced and read first time: February 1, 2005

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminals - New Racetrack at Pocomoke City**

3 FOR the purpose of providing that a special license to install and operate up to a  
4 certain number of video lottery terminals for commercial gaming purposes shall  
5 be issued by the State Lottery Commission to the person that is the principal  
6 owner of the facilities and grounds of the Ocean Downs Raceway (owner) in  
7 Worcester County if certain conditions are met and certain events take place as  
8 provided in this Act; providing that, in order for the special license to install and  
9 operate video lottery terminals to be issued under this Act, the owner, on or  
10 before a certain date, must enter into and carry out each of the provisions of a  
11 bona fide and legally binding agreement with the State, Worcester County, and  
12 Pocomoke City by which the State directs Pocomoke City to sell or lease certain  
13 land in Pocomoke City to the owner and by which the owner is required to  
14 construct a new standardbred racetrack facility on that site with a certain  
15 minimum capital investment, pay the costs for certain infrastructure costs  
16 related to the construction of the new racetrack, complete the construction of  
17 and begin operating the racetrack by a certain date, and cease to operate the  
18 Ocean Downs Raceway in Berlin, Worcester County on or before a certain date;  
19 requiring the Racing Commission, under certain circumstances, to issue a  
20 license to the owner of the racetrack constructed at the Pocomoke City site to  
21 conduct a certain number of live racing days each year; providing that the  
22 issuance of the license shall subject the racetrack and its owner to the full  
23 regulatory authority of the Racing Commission; providing that the racetrack  
24 may be authorized by the Racing Commission to conduct betting on out-of-state  
25 races, simulcasting of races, and intertrack betting; providing that the owner of  
26 the racetrack at Pocomoke City may allow the stables constructed for use at the  
27 racetrack to be rented for purposes of off-season training of horses; requiring  
28 the Governor to appoint a member of the State Lottery Commission as a liaison  
29 to the State Racing Commission; authorizing the State Lottery Commission to  
30 conduct certain investigations and hearings; requiring the State Lottery  
31 Commission to adopt certain regulations; requiring the State Lottery  
32 Commission to require a certain bond and collect certain fees and civil penalties;  
33 authorizing the State Lottery Commission to inspect and seize certain  
34 equipment, financial information, and records without notice or warrant;  
35 requiring certain video lottery terminal manufacturers, video lottery operators,

1 and video lottery employees to be licensed by the State Lottery Commission;  
2 establishing the crime of giving false information in an application for a license  
3 under this Act or in any supplemental information required by the State Lottery  
4 Commission; establishing certain penalties; establishing certain eligibility  
5 criteria and disqualifying criteria for a video lottery operation license; requiring  
6 certain applicants and licensees to comply with certain provisions of law  
7 relating to minority business participation; specifying that certain collective  
8 bargaining agreements do not negate certain provisions of this Act; requiring a  
9 licensee to provide certain health insurance to its employees; providing for  
10 certain eligibility criteria and disqualifying criteria for certain licenses;  
11 providing for certain waivers of certain licensing requirements under certain  
12 circumstances; providing for certain license terms; stating the intent of the  
13 General Assembly relating to video lottery operation licenses; prohibiting a  
14 video lottery operation license from being transferred or pledged as collateral;  
15 prohibiting certain licensees from selling or otherwise transferring more than a  
16 certain percentage of the legal or beneficial interest unless certain conditions  
17 are met; requiring that the transfer of a certain interest in a person that holds a  
18 video lottery operation license be approved by the State Lottery Commission;  
19 requiring the Department of State Police to conduct certain background  
20 investigations in a certain manner; requiring the State Lottery Commission to  
21 buy or lease the video lottery terminals and associated equipment authorized  
22 under this Act; providing the minimum payout for video lottery terminals and  
23 authorizing the State Lottery Commission to adopt certain video lottery  
24 terminal payouts; providing for the hours of operation of video lottery terminals;  
25 prohibiting the State Lottery Commission from issuing certain licenses under  
26 certain circumstances; prohibiting a video lottery operation licensee from  
27 offering food or beverages at no cost with a certain exception or from offering  
28 food and beverages below certain prices; requiring the State Lottery  
29 Commission to adopt certain regulations to reduce or mitigate the effects of  
30 problem gambling; authorizing the State Lottery Commission to reprimand a  
31 licensee or deny, suspend, or revoke certain licenses under certain  
32 circumstances; requiring the Comptroller to collect and distribute certain money  
33 in specified ways; establishing the Education Trust Fund; requiring certain  
34 distributions from video lottery proceeds to the Education Trust Fund to be used  
35 for a certain purpose; establishing a Purse Dedication Account under the  
36 authority of the State Racing Commission; providing for a certain distribution  
37 from video lottery proceeds to the Purse Dedication Account for horse racing;  
38 providing for certain distributions from the Purse Dedication Account for horse  
39 racing in a certain manner; providing for certain grants from video lottery  
40 proceeds to the State Lottery Commission, Worcester County, Pocomoke City,  
41 and the owner of the Pocomoke City racetrack; authorizing the State to pay  
42 certain transportation costs; requiring the Department of Transportation to  
43 facilitate certain negotiations; requiring a certain transportation plan to be  
44 developed; authorizing certain fees and providing for a certain distribution from  
45 certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling  
46 Fund in the Department of Health and Mental Hygiene; providing for certain  
47 disbursements from the Compulsive Gambling Fund for certain purposes;  
48 defining certain terms; providing for a certain review by certain agencies of

1 contracts and leases entered into under the provisions of this Act; providing for  
2 a certain contingency; and generally relating to the operation of video lottery  
3 terminals at a racetrack constructed at a site in Pocomoke City, Worcester  
4 County under certain circumstances.

5 BY adding to

6 Article - Business Regulation  
7 Section 11-202(g); and 11-7A-01 to be under the new subtitle "Subtitle 7A.  
8 Racing at Pocomoke City"  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume)

11 BY adding to

12 Article - State Government  
13 Section 9-1A-01 through 9-1A-29, inclusive, to be under the new subtitle  
14 "Subtitle 1A. Video Lottery Terminals at the Pocomoke City Racetrack"  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume)

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

19 **Article - Business Regulation**

20 11-202.

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

24 SUBTITLE 7A. RACING AT POCOMOKE CITY.

25 11-7A-01.

26 (A) AS USED IN THIS SECTION, "PERSON" MEANS THE PRINCIPAL OWNER OF  
27 THE FACILITIES AND GROUNDS OF THE OCEAN DOWNS RACEWAY LOCATED IN THE  
28 THIRD TAXING DISTRICT OF WORCESTER COUNTY.

29 (B) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, A SPECIAL  
30 LICENSE TO INSTALL AND OPERATE UP TO 2,500 VIDEO LOTTERY TERMINALS FOR  
31 COMMERCIAL GAMING PURPOSES SHALL BE ISSUED BY THE STATE LOTTERY  
32 COMMISSION UNDER THE AUTHORITY OF § 9-1A-01 OF THE STATE GOVERNMENT  
33 ARTICLE TO THE PERSON THAT, ON THE EFFECTIVE DATE OF THIS SECTION, IS THE  
34 PRINCIPAL OWNER OF THE FACILITIES AND THE GROUNDS OF THE OCEAN DOWNS  
35 RACEWAY LOCATED IN THE THIRD TAXING DISTRICT IN WORCESTER COUNTY IF:

1 (1) ON OR BEFORE SEPTEMBER 1, 2005, THE PERSON ENTERS INTO A  
2 BONA FIDE AND LEGALLY BINDING WRITTEN AGREEMENT WITH THE STATE,  
3 WORCESTER COUNTY, AND POCOMOKE CITY BY WHICH:

4 (I) THE STATE DIRECTS POCOMOKE CITY TO SELL OR LEASE TO  
5 THE PERSON LAND THAT IS OWNED BY POCOMOKE CITY AND LOCATED SOUTH OF  
6 POCOMOKE CITY ON U.S. ROUTE 13 IN THE FIRST TAXING DISTRICT AND RECORDED  
7 IN THE WORCESTER COUNTY LAND RECORDS;

8 (II) THE PERSON AGREES TO CONSTRUCT A NEW RACE TRACK FOR  
9 STANDARD BRED RACING ON THAT SITE WITH A MINIMUM CAPITAL INVESTMENT OF  
10 \$10,000,000; AND

11 (III) THE PERSON AGREES TO FINANCE IN FULL THE  
12 INFRASTRUCTURE COSTS ASSOCIATED WITH THE CONSTRUCTION AND OPERATION  
13 OF A NEW RACETRACK, AS THOSE COSTS ARE IDENTIFIED BY THE STATE,  
14 WORCESTER COUNTY, AND POCOMOKE CITY BUT WHICH SHALL INCLUDE, AT A  
15 MINIMUM, THE COST OF CONSTRUCTING AND MAINTAINING APPROPRIATE ACCESS,  
16 INGRESS, AND EGRESS ROADS, WALKWAYS, TRAFFIC SIGNALS AND SIGNAGE, AND  
17 PARKING FACILITIES AND THE COST OF PROVIDING ADEQUATE PUBLIC WATER AND  
18 SEWAGE FOR THE RACETRACK;

19 (2) ON OR BEFORE SEPTEMBER 1, 2007:

20 (I) POCOMOKE CITY SELLS OR LEASES TO THE PERSON THE LAND  
21 DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION;

22 (II) THE PERSON FILES A BOND, IN AN AMOUNT DETERMINED BY  
23 THE COMMISSION, FOR THE BENEFIT OF THE STATE, WORCESTER COUNTY, AND  
24 POCOMOKE CITY FOR THE FAITHFUL PERFORMANCE OF THE REQUIREMENTS OF  
25 THIS SUBSECTION;

26 (III) THE PERSON OBTAINS AND SUBMITS SATISFACTORY PROOF OF  
27 THE BOND TO THE COMMISSION;

28 (IV) THE PERSON COMPLETES THE CONSTRUCTION OF A NEW  
29 RACETRACK FACILITY AT THAT LOCATION; AND

30 (V) THE PERSON BEGINS OPERATING THE FACILITY AS A  
31 RACETRACK; AND

32 (3) ON OR BEFORE SEPTEMBER 1, 2007, THE PERSON CEASES TO  
33 OPERATE THE OCEAN DOWNS RACEWAY IN BERLIN, WORCESTER COUNTY,  
34 MARYLAND.

35 (C) (1) IF THE CONDITIONS OF SUBSECTION (B) OF THIS SECTION ARE  
36 SATISFIED IN FULL, THE COMMISSION SHALL ISSUE TO THE PERSON THAT IS THE  
37 OWNER OF THE RACETRACK CONSTRUCTED AT THE POCOMOKE CITY LOCATION A  
38 LICENSE REQUIRING THAT AT LEAST 40 DAYS A YEAR OF LIVE RACING BE

1 CONDUCTED AT THE TRACK AND AUTHORIZING UP TO 100 DAYS OF LIVE RACING A  
2 YEAR AT THE TRACK.

3 (2) THE ISSUANCE OF A LICENSE BY THE COMMISSION UNDER THE  
4 AUTHORITY OF PARAGRAPH (1) OF THIS SUBSECTION SHALL SUBJECT THE  
5 RACETRACK CONSTRUCTED AT THE POCOMOKE CITY LOCATION AND THE OWNER OF  
6 THAT RACETRACK TO THE FULL REGULATORY POWER OF THE COMMISSION UNDER  
7 THIS ARTICLE.

8 (D) THE RACETRACK AT POCOMOKE CITY MAY BE APPROVED BY THE  
9 COMMISSION, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SUBTITLE 8  
10 OF THIS TITLE, TO CONDUCT:

11 (1) BETTING ON OUT-OF-STATE RACES;

12 (2) SIMULCASTING OF RACES TO ANOTHER STATE WHERE BETTING IS  
13 LAWFUL;

14 (3) INTERTRACK BETTING WITHIN THE STATE; AND

15 (4) SATELLITE SIMULCAST BETTING.

16 (E) THE OWNER OF THE RACETRACK AT POCOMOKE CITY MAY ALLOW THE  
17 STABLES CONSTRUCTED FOR USE AT THE RACETRACK TO BE RENTED FOR PURPOSES  
18 OF OFF-SEASON OR WINTER TRAINING OF HORSES WHILE THE RACETRACK IS NOT  
19 OPERATED.

20 (F) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AUTHORIZE THE  
21 ISSUANCE OF A LICENSE FOR THE INSTALLATION AND OPERATION OF VIDEO  
22 LOTTERY TERMINALS AT THE OCEAN DOWNS RACEWAY WHILE IT IS OPERATED AS A  
23 RACETRACK AT ITS BERLIN, WORCESTER COUNTY, MARYLAND LOCATION.

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

26 **Article - State Government**

27 **SUBTITLE 1A. VIDEO LOTTERY TERMINALS AT THE POCOMOKE CITY RACETRACK.**

28 9-1A-01.

29 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
30 INDICATED.

31 (2) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE  
32 POCOMOKE CITY RACETRACK FACILITY THAT IS CONNECTED TO THE VIDEO  
33 LOTTERY SYSTEM INSTALLED AT THE RACETRACK FOR THE PURPOSE OF  
34 PERFORMING COMMUNICATION, VALIDATION, OR OTHER FUNCTIONS, BUT NOT  
35 INCLUDING THE COMMUNICATION FACILITIES OF A REGULATED UTILITY OR THE  
36 VIDEO LOTTERY TERMINALS.

1 (3) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

2 (4) "COSTS" MEANS THE EXPENSES INCURRED BY THE COMMISSION IN  
3 THE ADMINISTRATION OF THIS SUBTITLE, INCLUDING:

4 (I) THE COSTS OF LEASING OR THE CAPITALIZED COST OF  
5 PURCHASING VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT;

6 (II) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY  
7 TERMINALS AND ASSOCIATED EQUIPMENT; AND

8 (III) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY  
9 TERMINALS.

10 (5) "OWNER" MEANS A PERSON THAT HAS A BENEFICIAL OR  
11 PROPRIETARY INTEREST OF AT LEAST 10% IN THE POCOMOKE CITY RACETRACK  
12 OPERATED UNDER THE AUTHORITY OF § 11-7A-01 OF THE BUSINESS REGULATION  
13 ARTICLE.

14 (6) "VIDEO LOTTERY EMPLOYEE" MEANS:

15 (I) AN EMPLOYEE OF THE OWNER WHO IS HIRED DIRECTLY BY  
16 THE OWNER TO WORK IN THE VIDEO LOTTERY TERMINAL OPERATIONS AT THE  
17 POCOMOKE CITY RACETRACK; AND

18 (II) THE EMPLOYEES OF A VIDEO LOTTERY OPERATIONS LICENSE  
19 HOLDER WHO WORK IN THE VIDEO LOTTERY TERMINAL OPERATIONS AT THE  
20 POCOMOKE CITY RACETRACK.

21 (7) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED  
22 TO A BUSINESS ENTITY TO CONDUCT THE OPERATION OF VIDEO LOTTERY  
23 TERMINALS AT THE POCOMOKE CITY RACETRACK SO AS TO ALLOW INDIVIDUALS TO  
24 PLAY THE VIDEO LOTTERY TERMINALS.

25 (8) (I) "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER  
26 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,  
27 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

28 1. IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY  
29 GAME OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO  
30 THE PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR  
31 OTHER DEVICE; AND

32 2. BY THE ELEMENT OF CHANCE, MAY DELIVER OR ENTITLE  
33 THE PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH,  
34 PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER THE  
35 PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

36 (II) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OR  
37 DEVICE:

1                                   1.        THAT DOES NOT DIRECTLY DISPENSE MONEY, TOKENS, OR  
2 ANYTHING OF VALUE TO WINNING PLAYERS; AND

3                                   2.        DESCRIBED UNDER ITEM 1 OF THIS SUBPARAGRAPH THAT  
4 USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR  
5 TOKENS UNNECESSARY.

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

9        (B)     (1)        SUBJECT TO THE CONDITIONS AND CONTINGENCIES OF § 11-7A-01  
10 OF THE BUSINESS REGULATION ARTICLE, THE COMMISSION SHALL ISSUE A LICENSE  
11 TO THE OWNER OF THE POCOMOKE CITY RACETRACK TO INSTALL AND OPERATE AT  
12 THAT RACETRACK UP TO 2,500 VIDEO LOTTERY TERMINALS FOR COMMERCIAL  
13 GAMING PURPOSES.

14                   (2)        THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO  
15 LOTTERY TERMINALS AT THE RACETRACK IN POCOMOKE CITY, WORCESTER COUNTY,  
16 IN ACCORDANCE WITH THIS SUBTITLE.

17        (C)     THIS SUBTITLE PROHIBITS ANY ADDITIONAL FORMS OR EXPANSION OF  
18 COMMERCIAL GAMING OTHER THAN THAT EXPRESSLY PROVIDED FOR IN THIS  
19 SUBTITLE OR EXPRESSLY PROVIDED FOR UNDER STATE LAW IN EFFECT BEFORE THE  
20 EFFECTIVE DATE OF THIS SUBTITLE.

21 9-1A-02.

22        THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE SPECIFIC  
23 PROVISIONS FOR:

24                   (1)        ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT  
25 AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE OR ANY OTHER LICENSE  
26 REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW AND COMPLETE BEFORE  
27 CONSIDERATION OF THE APPLICATION BY THE COMMISSION;

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

32                   (3)        ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS  
33 CONDUCTED BY THE COMMISSION;

34                   (4)        CONSISTENT WITH OR IN ADDITION TO ANY OTHER PROVISION OF  
35 THIS SUBTITLE AND AS APPROPRIATE, NECESSARY, AND REASONABLE,  
36 ESTABLISHING THE MANNER AND PROCEDURE FOR THE LICENSURE, REGULATION,  
37 BONDING, AND CONTROL OF, AND DISCIPLINARY ACTION THAT MAY BE TAKEN  
38 AGAINST VIDEO LOTTERY EMPLOYEES OF THE OWNER OR VIDEO LOTTERY

1 EMPLOYEES OF ANY BUSINESS ENTITY WITH WHICH THE OWNER CONTRACTS TO  
2 OPERATE THE VIDEO LOTTERY TERMINALS;

3 (5) ESTABLISHING THE MANNER AND METHOD OF COLLECTION OF FEES  
4 AND CIVIL PENALTIES;

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

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

14 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS  
15 OF THE OWNER OR THE REVOCATION OR SUSPENSION OF THE LICENSE HELD BY THE  
16 OWNER UNDER THIS SUBTITLE;

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

19 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
20 MANAGEMENT CONTROLS;

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

25 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF  
26 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC  
27 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER  
28 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE  
29 MAINTAINED BY THE OWNER UNDER THIS SUBTITLE AND THE REGULATIONS THAT  
30 SHALL BE ADOPTED UNDER THIS SUBTITLE;

31 (13) REQUIRING THE OWNER TO DEMONSTRATE AND MAINTAIN  
32 FINANCIAL VIABILITY;

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

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



1 9-1A-03.

2 THE COMMISSION SHALL:

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

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

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

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

13 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES INTO A BANK  
14 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE  
15 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED  
16 TO LICENSING;

17 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF  
18 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS  
19 SUBTITLE;

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

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

31 9-1A-04.

32 (A) THE COMMISSION MAY:

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

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

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

7           (4)     PROPOUND WRITTEN INTERROGATORIES.

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

11     (C)     (1)     THE COMMISSION SHALL PROMPTLY AND THOROUGHLY ENFORCE  
12 THIS SUBTITLE AND REGULATIONS THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

15                   (I)     INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO  
16 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY  
17 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL  
18 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,  
19 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES  
20 ARE PREPARED OR MAINTAINED;

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

23                   (III)     SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND  
24 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,  
25 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF  
26 EXAMINATION AND INSPECTION;

27                   (IV)     INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND  
28 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING  
29 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,  
30 OR SIMILAR BUSINESS ENTITY; AND

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

35           (3)     THE OWNER SHALL AUTHORIZE ANY OTHER PERSON HAVING  
36 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO  
37 THE COMMISSION.

1 9-1A-05.

2 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, UNLESS AN  
3 INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE LICENSE ISSUED UNDER  
4 THIS SUBTITLE, THE INDIVIDUAL MAY NOT BE EMPLOYED BY THE OWNER OF THE  
5 POCOMOKE CITY RACETRACK OR BY THE HOLDER OF A VIDEO LOTTERY OPERATION  
6 LICENSE AS A VIDEO LOTTERY EMPLOYEE.

7 (B) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF VIDEO  
8 LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO LOTTERY  
9 OPERATIONS FROM THE REQUIREMENT UNDER SUBSECTION (A) OF THIS SECTION IF  
10 THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT NECESSARY IN  
11 ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES  
12 ESTABLISHED UNDER THIS SUBTITLE.

13 9-1A-06.

14 (A) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE OR A VIDEO  
15 LOTTERY EMPLOYEE LICENSE SHALL SUBMIT TO THE COMMISSION AN  
16 APPLICATION:

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

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

19 (B) THE COMMISSION SHALL BY REGULATION ESTABLISH A FEE FOR A  
20 LICENSE UNDER THIS SUBTITLE.

21 (C) (1) VIDEO LOTTERY EMPLOYEE APPLICANTS AND LICENSEES:

22 (I) SHALL HAVE THE AFFIRMATIVE RESPONSIBILITY TO  
23 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE PERSON'S QUALIFICATIONS;

24 (II) SHALL PROVIDE INFORMATION REQUIRED BY THIS SUBTITLE  
25 AND SATISFY REQUESTS FOR INFORMATION RELATING TO QUALIFICATIONS IN THE  
26 FORM SPECIFIED BY THE COMMISSION; AND

27 (III) SHALL CONSENT TO INSPECTIONS, SEARCHES, AND SEIZURES  
28 AUTHORIZED BY THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE.

29 (2) (I) VIDEO LOTTERY EMPLOYEE APPLICANTS AND LICENSEES  
30 SHALL HAVE THE CONTINUING DUTY TO:

31 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY  
32 THE COMMISSION; AND

33 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR  
34 HEARING CONDUCTED BY THE COMMISSION.

35 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR  
36 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF A VIDEO LOTTERY

1 EMPLOYEE APPLICANT OR LICENSEE REFUSES TO COMPLY, THE APPLICATION OR  
2 LICENSE OF THE PERSON MAY BE DENIED, SUSPENDED, OR REVOKED BY THE  
3 COMMISSION.

4 (3) (I) IF THE VIDEO LOTTERY EMPLOYEE APPLICANT IS AN  
5 INDIVIDUAL, THE APPLICANT SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR  
6 IDENTIFICATION AND INVESTIGATION PURPOSES.

7 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION  
8 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE  
9 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION  
10 PURPOSES.

11 (4) (I) VIDEO LOTTERY EMPLOYEE APPLICANTS AND LICENSEES  
12 SHALL HAVE A DUTY TO INFORM THE COMMISSION OF AN ACT OR OMISSION THAT  
13 THE PERSON KNOWS OR SHOULD KNOW CONSTITUTES A VIOLATION OF THIS  
14 SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

15 (II) VIDEO LOTTERY EMPLOYEE APPLICANTS AND LICENSEES MAY  
16 NOT DISCRIMINATE OR RETALIATE AGAINST A PERSON WHO IN GOOD FAITH  
17 INFORMS THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON BELIEVES  
18 CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED  
19 UNDER THIS SUBTITLE.

20 (5) VIDEO LOTTERY EMPLOYEE APPLICANTS AND LICENSEES SHALL  
21 PRODUCE INFORMATION, DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE  
22 FOLLOWING QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

23 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
24 OF THE APPLICANT OR LICENSEE;

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

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

30 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
31 APPLICANT OR LICENSEE.

32 (D) ON THE FILING OF AN APPLICATION FOR A VIDEO LOTTERY EMPLOYEE  
33 REQUIRED UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION  
34 REQUIRED BY THE COMMISSION, THE COMMISSION SHALL REFER THE APPLICATION  
35 TO THE DEPARTMENT OF STATE POLICE TO CONDUCT A BACKGROUND  
36 INVESTIGATION UNDER § 9-1A-18 OF THIS SUBTITLE ON THE QUALIFICATIONS OF  
37 THE APPLICANT AND ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS  
38 SUBTITLE AS A CONDITION OF A LICENSE.

1 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND  
2 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,  
3 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE  
4 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN  
5 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR  
6 DISQUALIFIED.

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

10 (F) IF SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE,  
11 AND ON TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER FEES, AND  
12 ANY BOND REQUIRED UNDER THE COMMISSION'S REGULATIONS, THE COMMISSION  
13 SHALL ISSUE A LICENSE FOR A TERM OF 1 YEAR.

14 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION  
15 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY  
16 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION  
17 REQUIRED BY THE COMMISSION.

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

21 9-1A-07.

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

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

27 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES  
28 OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE  
29 BUSINESS ENTITY;

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

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

35 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF  
36 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR  
37 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS  
38 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR  
39 BUSINESS ENTITIES;

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

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

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

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

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

14 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING  
15 ARRANGEMENTS;

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

17 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

32 (D) (1) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION  
33 LICENSE TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE  
34 FOLLOWING CRITERIA:

35 (I) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND  
36 CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR

1 CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS  
2 SUBTITLE;

3 (II) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE  
4 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE  
5 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE  
6 OR REQUESTED BY THE COMMISSION;

7 (III) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE  
8 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY  
9 FACT MATERIAL TO QUALIFICATION;

10 (IV) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO  
11 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, INFORMATION  
12 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE  
13 QUALIFICATION CRITERIA;

14 (V) CONVICTION OF THE APPLICANT OR OF ANY PERSON  
15 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE  
16 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION  
17 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL  
18 TURPITUDE OR A GAMBLING OFFENSE;

19 (VI) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS  
20 SUBSECTION, CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS  
21 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE  
22 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS PARAGRAPH; HOWEVER, AT  
23 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE  
24 APPLICATION DURING THE PENDENCY OF THE CHARGE;

25 (VII) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED  
26 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF  
27 ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION  
28 OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT  
29 PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE  
30 AGGRESSIVELY OPPOSED TO THE POLICIES OF THIS SUBTITLE;

31 (VIII) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS  
32 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE  
33 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN  
34 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER  
35 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS  
36 TO BE AGGRESSIVELY OPPOSED TO THE POLICIES OF THIS SUBTITLE;

37 (IX) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON  
38 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A  
39 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF  
40 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED  
41 UNDER THE CRIMINAL LAWS OF THE STATE;

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

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

10 (2) WITH RESPECT TO AN APPLICANT DESCRIBED UNDER ITEM (VI) OF  
11 PARAGRAPH (1) OF THIS SUBSECTION WHO IS UNDER CURRENT PROSECUTION FOR  
12 AN OFFENSE DESCRIBED UNDER ITEM (V) OF PARAGRAPH (1) OF THIS SUBSECTION,  
13 IF THE APPLICANT REQUESTS, THE COMMISSION MAY DEFER ITS DECISION ON THE  
14 APPLICATION DURING THE PENDENCY OF THE CHARGE AGAINST THE APPLICANT.

15 9-1A-08.

16 (A) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT  
17 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS AT THE POCOMOKE  
18 CITY RACETRACK, THE OWNER SHALL AT A MINIMUM MEET THE SAME  
19 REQUIREMENTS OF A DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION  
20 AS DESCRIBED UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND  
21 PROCUREMENT ARTICLE.

22 (2) IF WORCESTER COUNTY HAS HIGHER MINORITY BUSINESS  
23 PARTICIPATION REQUIREMENTS THAN THE STATE AS DESCRIBED IN PARAGRAPH (1)  
24 OF THIS SUBSECTION, THE APPLICANT SHALL MEET THE COUNTY'S MINORITY  
25 BUSINESS PARTICIPATION REQUIREMENTS TO THE EXTENT POSSIBLE.

26 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,  
27 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,  
28 ENTERED INTO BY AN APPLICANT OR LICENSEE DOES NOT NEGATE THE  
29 REQUIREMENTS OF THIS SUBSECTION.

30 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
31 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING  
32 QUALIFIED EMPLOYEES FROM THE COMMUNITIES WITHIN 30 MILES OF THE  
33 POCOMOKE CITY RACETRACK.

34 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY  
35 BELIEVES THAT HE OR SHE HAS BEEN DISCRIMINATED AGAINST IN THE  
36 EMPLOYMENT PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION  
37 TO THE LOCAL HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE VIDEO  
38 LOTTERY FACILITY IS LOCATED.

39 (6) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
40 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS  
41 EMPLOYEES.



1 (B) (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 9-1A-09.

13 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A VIDEO  
14 LOTTERY OPERATION LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY  
15 TERMINALS AT THE LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE  
16 HAS BEEN ISSUED BY SEPTEMBER 1, 2007.

17 (B) (1) UPON A DETERMINATION BY THE COMMISSION THAT EXTENUATING  
18 CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A LICENSEE AND  
19 HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE REQUIREMENTS OF  
20 SUBSECTION (A) OF THIS SECTION, THE COMMISSION MAY ALLOW THE LICENSEE AN  
21 EXTENSION OF 6 MONTHS TO COMPLY WITH THE REQUIREMENTS.

22 (2) THE COMMISSION MAY NOT GRANT MORE THAN TWO EXTENSIONS  
23 TO A LICENSEE UNDER THIS SUBSECTION.

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

27 9-1A-10.

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

35 9-1A-11.

36 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15  
37 YEARS.

1 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,  
2 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE  
3 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE  
4 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM  
5 REQUIRED BY THE COMMISSION.

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

9 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY  
10 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF  
11 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

15 9-1A-12.

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

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

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

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

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

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

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

35 (5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN  
36 OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE  
37 STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF

1 THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE AGGRESSIVELY  
2 OPPOSED TO THE POLICIES OF THIS SUBTITLE;

3 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A  
4 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER  
5 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A  
6 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE  
7 AGGRESSIVELY OPPOSED TO THE POLICIES OF THIS SUBTITLE;

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

12 (8) DELIBERATE AND HOSTILE DEFIANCE BY THE APPLICANT OR AN  
13 INDIVIDUAL, WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A  
14 CONDITION OF A LICENSE, OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER  
15 OFFICIAL INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION  
16 WITHIN THE UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION  
17 OF CRIMES RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME  
18 ACTIVITY; AND

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

21 9-1A-13.

22 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE  
23 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR  
24 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,  
25 ASSOCIATED EQUIPMENT, OR GOODS OR SERVICES THAT DIRECTLY RELATE TO THE  
26 OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

27 (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS  
28 THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER  
29 PRINCIPAL EMPLOYEES OF THE MANUFACTURER, SHALL QUALIFY UNDER THE  
30 STANDARDS AND PROVISIONS SET FORTH OF THIS SUBTITLE FOR VIDEO LOTTERY  
31 OPERATION LICENSEES.

32 (C) EXCEPT AS PROVIDED IN § 9-1A-14(A) OF THIS SUBTITLE, THE  
33 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING  
34 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

35 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED  
36 EQUIPMENT SHALL MANUFACTURE OR DISTRIBUTE THE VIDEO LOTTERY  
37 TERMINALS AND ASSOCIATED EQUIPMENT THAT MEET SPECIFICATIONS AND  
38 PROCEDURES ESTABLISHED BY THE COMMISSION.

1 9-1A-14.

2 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A  
3 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A  
4 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE  
5 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,  
6 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS  
7 SUBTITLE, THE COMMISSION MAY:

8 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;  
9 AND

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

12 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE  
13 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR  
14 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF  
15 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL  
16 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO  
17 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY  
18 THIS SUBTITLE.

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

22 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR  
23 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;  
24 AND

25 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR  
26 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION  
27 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A  
28 CONDITION OF THE WAIVER OR EXEMPTION.

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

31 9-1A-15.

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

35 (1) PROPER APPLICATION FOR RENEWAL; AND

36 (2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER  
37 FEES.

1 9-1A-16.

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

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

14 (1) PRECLUDE:

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

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

19 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
20 SUBTITLE; AND

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

24 9-1A-17.

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

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

27 (2) PLEDGED AS COLLATERAL.

28 (B) (1) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT SELL OR  
29 OTHERWISE TRANSFER MORE THAN 5% OF THE LEGAL OR BENEFICIAL INTERESTS  
30 OF THE LICENSEE UNLESS:

31 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED  
32 SALE OR TRANSFER; AND

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

35 (2) UNLESS THE COMMISSION NEEDS A LONGER TIME TO DETERMINE  
36 WHETHER THE PROPOSED BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF

1 THIS SUBTITLE, IF THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE  
2 NOT SATISFIED, A LICENSE ISSUED UNDER THIS SUBTITLE IS AUTOMATICALLY  
3 REVOKED 90 DAYS AFTER THE SALE OR TRANSFER.

4 9-1A-18.

5 (A) THE DEPARTMENT OF STATE POLICE SHALL:

6 (1) CONDUCT A BACKGROUND INVESTIGATION IN A TIMELY MANNER OF  
7 EACH APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE OR A VIDEO LOTTERY  
8 EMPLOYEE LICENSE; AND

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

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

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

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

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

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

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

27 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE  
28 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY  
29 RECORDS CHECK.

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

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

1 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN  
2 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE  
3 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

4 9-1A-19.

5 (A) EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED  
6 EQUIPMENT SHALL BE UNDER THE CONTROL OF THE COMMISSION.

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

13 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE  
14 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS  
15 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
16 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
17 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
18 TERMINALS.

19 9-1A-20.

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

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

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

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

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

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

1 9-1A-21.

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

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

8 (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES,  
9 OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS  
10 MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO  
11 BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES  
12 AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS  
13 LOCATED.

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

18 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT  
19 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE  
20 NOT ALLOWED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT ALLOWED TO BE  
21 IN AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY  
22 TERMINALS ARE LOCATED.

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

27 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE  
28 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS  
29 RELATING TO INDIVIDUALS:

30 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS  
31 ADOPTED BY THE COMMISSION;

32 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER  
33 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED  
34 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A  
35 GAMBLING OFFENSE; OR

36 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE  
37 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE  
38 PERSON.



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

5           (4)     AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO  
6 JUDICIAL REVIEW.

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

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

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

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

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

23                   (IV)     THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN  
24 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO  
25 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE  
26 VOLUNTARY EXCLUSION LIST.

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

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

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

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

35                   (IV)     LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS  
36 WILL ACCEPT;

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

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

7 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM  
8 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY  
9 MARKETING PRACTICES.

10 9-1A-22.

11 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND  
12 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

13 (1) THIS SUBTITLE;

14 (2) ANY REGULATION ADOPTED UNDER THIS SUBTITLE; OR

15 (3) ANY CONDITION THAT THE COMMISSION SETS.

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

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

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

22 (I) THE SERIOUSNESS OF THE VIOLATION;

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

24 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON  
25 WHO COMMITTED THE VIOLATION.

26 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,  
27 NOTHING CONTAINED IN THIS SUBTITLE MAY BE CONSTRUED TO ABROGATE OR  
28 LIMIT THE CRIMINAL LAWS OF THE STATE OR LIMIT THE AUTHORITY OF THE  
29 GENERAL ASSEMBLY TO ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND  
30 PENALTIES RELATING TO VIDEO LOTTERY OPERATIONS.

31 9-1A-23.

32 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS  
33 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND  
34 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN  
35 § 9-1A-24 OF THIS SUBTITLE.

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

3 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER  
4 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN  
5 § 9-1A-24 OF THIS SUBTITLE.

6 9-1A-24.

7 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
8 TERMINALS 4% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01  
9 OF THIS SUBTITLE.

10 (B) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
11 TERMINALS:

12 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
13 COMMISSION, TO THE OWNER, 39%;

14 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
15 COMMISSION, 3% IN A GRANT TO WORCESTER COUNTY AND 3% IN A GRANT TO  
16 POCOMOKE CITY;

17 (3) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
18 COMMISSION, 6% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §  
19 9-1A-25 OF THIS SUBTITLE; AND

20 (4) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED  
21 UNDER § 9-1A-26 OF THIS SUBTITLE.

22 9-1A-25.

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

25 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER THIS  
26 SECTION.

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

29 (3) THE COMPTROLLER SHALL:

30 (I) ACCOUNT FOR THE FUND; AND

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

34 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT  
35 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 (D) OF THIS SECTION, THE  
5 STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF THE FUNDS IN  
6 THE ACCOUNT EACH YEAR TO THE STANDARDBRED INDUSTRY BASED ON THE  
7 PERCENTAGE OF THE TOTAL WAGERING ON LIVE RACING AT RACETRACKS IN THE  
8 STATE THAT CAN BE ATTRIBUTED TO THE STANDARDBRED INDUSTRY DURING THE  
9 PRIOR CALENDAR YEAR.

10 (D) THE AMOUNT OF FUNDS ALLOCATED TO STANDARDBRED PURSES AT THE  
11 POCOMOKE CITY RACETRACK AND THE STANDARDBRED RACE FUND SHALL BE  
12 ALLOCATED AS FOLLOWS:

13 (1) 89% TO STANDARDBRED PURSES AT THE POCOMOKE CITY  
14 RACETRACK; AND

15 (2) 11% TO THE STANDARDBRED RACE FUND.

16 9-1A-26.

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

20 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL  
21 PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-24(B)(4) OF THIS SUBTITLE.

22 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND  
23 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO  
24 THE FUND.

25 (C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET THE  
26 TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN  
27 ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH  
28 GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS  
29 THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT, FIRST ENACTED BY CHAPTER  
30 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

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

33 9-1A-27.

34 (A) NOTWITHSTANDING THE PROVISIONS OF § 11-7A-01 OF THE BUSINESS  
35 REGULATION ARTICLE, THE STATE MAY PAY FOR THE REASONABLE  
36 TRANSPORTATION COSTS TO:

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

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

4 (B) A COMPREHENSIVE TRANSPORTATION PLAN SHALL BE:

5 (1) DEVELOPED BY WORCESTER COUNTY; AND

6 (2) APPROVED BY THE MARYLAND DEPARTMENT OF TRANSPORTATION.

7 (C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL FACILITATE  
8 NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE MOST PRACTICAL  
9 INGRESS TO AND EGRESS FROM THE POCOMOKE CITY RACETRACK.

10 9-1A-28.

11 (A) THE COMMISSION SHALL:

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

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

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

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

23 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED  
24 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL  
25 ACCRUE TO THE FUND.

26 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE  
27 MADE ONLY:

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

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

32 2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING  
33 PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE  
34 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

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

5 9-1A-29.

6 THE COMMISSION SHALL PREPARE AND SUBMIT AN ANNUAL REPORT TO THE  
7 GOVERNOR AND, SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL  
8 ASSEMBLY:

9 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY  
10 OPERATIONS AT THE POCOMOKE CITY RACETRACK; AND

11 (2) WITH THE ASSISTANCE OF THE WORCESTER COUNTY SHERIFF'S  
12 OFFICE AND THE MARYLAND DEPARTMENT OF STATE POLICE, DETAILING THE  
13 CRIMES THAT OCCUR WITHIN THE POCOMOKE CITY RACETRACK AND THE AREA  
14 SURROUNDING THE POCOMOKE CITY RACETRACK.

15 SECTION 3. AND BE IT FURTHER ENACTED, That if any provision of this  
16 Act or the application thereof to any person or circumstance is held invalid for any  
17 reason in a court of competent jurisdiction, the invalidity does not affect other  
18 provisions or any other application of this Act which can be given effect without the  
19 invalid provision or application, and for this purpose the provisions of this Act are  
20 declared severable.

21 SECTION 4. AND BE IT FURTHER ENACTED, That the intent of this Act,  
22 subject to the conditions, limitations, and contingencies imposed under it and further  
23 subject to the occurrence of certain events and activities as required by it, is to  
24 provide for the authorization and regulation of certain gaming devices for the purpose  
25 of generating State revenues and other funds for specified purposes, including  
26 funding public education and assisting the State's racing industry. This section is not  
27 intended to detract from the application of the severability provision contained in  
28 Section 3 of this Act or from the ability of a court of competent jurisdiction to consider  
29 and apply appropriate severability principles in the event of a judicial challenge to the  
30 validity of a specific portion or portions of this Act.

31 SECTION 5. AND BE IT FURTHER ENACTED, That, on September 1, 2010,  
32 and every 5 years thereafter, the Board of Public Works, in conjunction with the State  
33 Racing Commission and the State Lottery Commission, shall review all contracts and  
34 leases entered into between the State, Worcester County, or Pocomoke City and the  
35 owner of the Pocomoke City racetrack.

36 SECTION 6. AND BE IT FURTHER ENACTED, That this Act is contingent on  
37 the meeting of the conditions and requirements established in § 11-7A-01(b) of the  
38 Business Regulation Article, as added by Section 1 of this Act. If those conditions and  
39 requirements are not met, this Act shall be abrogated and of no further force and  
40 effect.

1 SECTION 7. AND BE IT FURTHER ENACTED, That, subject to the provisions  
2 of Section 6 of this Act, this Act shall take effect July 1, 2005.