
By: **Delegate C. Davis**

Introduced and read first time: February 16, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education Bridge to Excellence - Funding - Video Lottery Terminals**

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

1 to conduct a certain annual race with certain exceptions; requiring certain video
2 lottery operation licensees to submit to the Gaming Commission a certain plan
3 to improve the quality and marketing of horse racing; requiring certain
4 applicants and licensees to comply with certain provisions of law relating to
5 minority business participation; specifying that certain collective bargaining
6 agreements do not negate certain provisions of this Act; requiring a licensee to
7 provide certain health insurance to its employees; authorizing certain
8 applicants for employment to appeal to certain local human relations boards
9 under certain circumstances; providing for the monitoring of certain provisions
10 of this Act by the Governor's Office of Minority Affairs; providing for certain
11 eligibility criteria and disqualifying criteria for certain licenses; providing for
12 certain waivers of certain licensing requirements under certain circumstances;
13 providing for certain license terms; stating the intent of the General Assembly
14 relating to video lottery operation licenses; prohibiting a video lottery operation
15 license from being transferred or pledged as collateral; prohibiting certain
16 licensees from selling or otherwise transferring more than a certain percentage
17 of the legal or beneficial interest unless certain conditions are met; requiring
18 that the transfer of a certain interest in a person that holds a video lottery
19 operation license be approved by the Gaming Commission; requiring the
20 Department of State Police to conduct certain background investigations in a
21 certain manner; requiring the Gaming Commission to buy or lease the central
22 computer authorized under this Act; specifying limits on the number of video
23 lottery terminals allowed in the State and at certain facilities; allowing a certain
24 number of locations to be eligible for a video lottery operation license under
25 certain circumstances; establishing the Video Lottery Facility Location
26 Commission; establishing the membership of the Video Lottery Facility Location
27 Commission; establishing certain eligibility requirements for membership on
28 the Video Lottery Facility Location Commission; providing for certain
29 reimbursements and staffing; allowing the Video Lottery Facility Location
30 Commission to award not more than six video lottery operation licenses to
31 certain racetrack locations and nonracetrack destination locations; requiring
32 certain licenses for racetrack locations to be at certain locations; requiring
33 certain nonracetrack video lottery facilities to be in certain counties; prohibiting
34 the Video Lottery Facility Location Commission from issuing more than one
35 license in each county; requiring the Department of Budget and Management to
36 contract with a certain consultant; requiring the Video Lottery Facility Location
37 Commission to consider certain factors; requiring the Video Lottery Facility
38 Location Commission to make certain determinations and be responsible for
39 certain matters relating to racetrack locations and nonracetrack destination
40 locations; allowing a certain number of video lottery terminals for video lottery
41 locations; requiring certain funds to be used to improve jockey health benefits;
42 allowing the operation of video lottery terminals in a temporary facility under
43 certain circumstances; providing the minimum payout for video lottery
44 terminals and authorizing the Video Lottery Facility Location Commission to
45 adopt certain video lottery terminal payouts; providing for the hours of
46 operation of video lottery terminals; prohibiting certain games offered by the
47 Gaming Commission from being offered for sale in a video lottery facility;
48 prohibiting the Video Lottery Facility Location Commission from issuing certain

1 licenses under certain circumstances; requiring the Video Lottery Facility
2 Location Commission to refer to the Gaming Commission certain information;
3 requiring the Gaming Commission to make a certain determination about the
4 qualifications of a bidder and to notify the Video Lottery Facility Location
5 Commission of its determination; prohibiting a video lottery operation licensee
6 from offering food or beverages at no cost with a certain exception or from
7 offering food and beverages below certain prices; requiring the Video Lottery
8 Facility Location Commission to adopt certain regulations to reduce or mitigate
9 the effects of problem gambling; authorizing the Video Lottery Facility Location
10 Commission to reprimand a licensee or deny, suspend, or revoke certain licenses
11 under certain circumstances; requiring the Comptroller to collect and distribute
12 certain money in specified ways; establishing the Education Trust Fund;
13 requiring certain distributions from video lottery proceeds to the Education
14 Trust Fund to be used for a certain purpose; establishing a Purse Dedication
15 Account under the authority of the State Racing Commission; providing for a
16 certain distribution from video lottery proceeds to the Purse Dedication Account
17 for horse racing; providing for certain distributions from the Purse Dedication
18 Account for horse racing in a certain manner; authorizing the State to pay
19 certain transportation costs; requiring the Department of Transportation to
20 facilitate certain negotiations; requiring a certain transportation plan to be
21 developed by certain counties; providing for the creation of certain local
22 development councils; providing for appointment and membership of certain
23 local development councils; requiring certain counties to develop certain plans to
24 be reviewed by certain local development councils; specifying that a certain
25 percentage of certain local development grants should be used for certain
26 purposes; authorizing certain fees and providing for a certain distribution from
27 certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling
28 Fund in the Department of Health and Mental Hygiene; providing for certain
29 disbursements from the Compulsive Gambling Fund for certain purposes;
30 requiring the Department of Health and Mental Hygiene to establish certain
31 regional centers and to conduct a certain prevalence study; requiring the
32 Secretary of Health and Mental Hygiene to make certain grants from certain
33 funds; exempting a certain procurement by the Commission from certain
34 provisions of law; requiring the Commission to make a certain annual report by
35 a certain date; requiring the Department of Transportation to conduct a certain
36 study and make a certain report by a certain date; requiring a certain
37 certification entity to conduct certain studies and make certain reports; making
38 the provisions of this Act severable; providing for the staggering of the terms of
39 certain new members of the Gaming Commission; defining certain terms;
40 requiring certain application fees to accrue to a certain fund to be used for a
41 certain purpose in a certain fiscal year; providing for the manner of calculation
42 and distribution of certain additional State aid to education to reflect regional
43 differences in the cost of education that are due to factors outside the control of
44 local jurisdictions; providing for the termination of certain provisions of this Act;
45 providing that certain provisions of this Act are contingent on the termination of
46 another Act; and generally relating to the operation of video lottery terminals at
47 certain locations in the State.

48 BY adding to

1 Article - Business Regulation
2 Section 11-202(g)
3 Annotated Code of Maryland
4 (2004 Replacement Volume)

5 BY repealing and reenacting, with amendments,
6 Article - Education
7 Section 5-202(a)
8 Annotated Code of Maryland
9 (2004 Replacement Volume and 2004 Supplement)

10 BY repealing and reenacting, without amendments,
11 Article - Health - General
12 Section 19-801 and 19-802
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2004 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Health - General
17 Section 19-803 and 19-804
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2004 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - State Government
22 Section 9-101(c), 9-104, 9-105, and 9-108(d)
23 Annotated Code of Maryland
24 (2004 Replacement Volume)

25 BY adding to
26 Article - State Government
27 Section 9-1A-01 through 9-1A-34 to be under the new subtitle "Subtitle 1A.
28 Video Lottery Terminals"
29 Annotated Code of Maryland
30 (2004 Replacement Volume)

31 BY repealing and reenacting, with amendments,
32 Article - State Finance and Procurement
33 Section 11-203(a)(1)(xviii) and (xix)
34 Annotated Code of Maryland
35 (2001 Replacement Volume and 2004 Supplement)

36 BY adding to

1 Article - State Finance and Procurement
 2 Section 11-203(a)(1)(xx)
 3 Annotated Code of Maryland
 4 (2001 Replacement Volume and 2004 Supplement)

5 BY repealing and reenacting, without amendments,
 6 Article - State Finance and Procurement
 7 Section 11-203(b)(1) and (2)
 8 Annotated Code of Maryland
 9 (2001 Replacement Volume and 2004 Supplement)

10 BY repealing and reenacting, with amendments,
 11 Article - State Finance and Procurement
 12 Section 11-203(b)(3)
 13 Annotated Code of Maryland
 14 (2001 Replacement Volume and 2004 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article - State Finance and Procurement
 17 Section 11-203(b)(2)
 18 Annotated Code of Maryland
 19 (2001 Replacement Volume and 2004 Supplement)
 20 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

23 **Article - Business Regulation**

24 11-202.

25 (G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
 26 SERVE AS A LIAISON TO THE STATE GAMING COMMISSION ESTABLISHED UNDER
 27 TITLE 9 OF THE STATE GOVERNMENT ARTICLE.

28 **Article - Education**

29 5-202.

30 (a) (1) In this section the following words have the meanings indicated.

31 (2) "ADJUSTED FOUNDATION PROGRAM" MEANS THE SUM OF:

32 (I) THE GCEI ADJUSTMENT MULTIPLIED BY:

33 1. 0.50 IN FISCAL YEAR 2006;

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

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

7 1. 0.60 in fiscal year 2004;

8 2. 0.70 in fiscal year 2005;

9 3. 0.80 in fiscal year 2006;

10 4. 0.90 in fiscal year 2007; and

11 5. 1.00 in fiscal year 2008 and each fiscal year thereafter;

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

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

17 (8) "GCEI ADJUSTMENT" MEANS THE FOUNDATION PROGRAM FOR EACH
18 COUNTY MULTIPLIED BY:

19 (I) 0.000 IN ALLEGANY;

20 (II) 0.018 IN ANNE ARUNDEL;

21 (III) 0.042 IN BALTIMORE CITY;

22 (IV) 0.008 IN BALTIMORE;

23 (V) 0.021 IN CALVERT;

24 (VI) 0.000 IN CAROLINE;

25 (VII) 0.014 IN CARROLL;

26 (VIII) 0.000 IN CECIL;

27 (IX) 0.020 IN CHARLES;

28 (X) 0.000 IN DORCHESTER;

29 (XI) 0.024 IN FREDERICK;

30 (XII) 0.000 IN GARRETT;

- 1 (XIII) 0.000 IN HARFORD;
2 (XIV) 0.015 IN HOWARD;
3 (XV) 0.010 IN KENT;
4 (XVI) 0.034 IN MONTGOMERY;
5 (XVII) 0.048 IN PRINCE GEORGE'S;
6 (XVIII) 0.011 IN QUEEN ANNE'S;
7 (XIX) 0.002 IN ST. MARY'S;
8 (XX) 0.000 IN SOMERSET;
9 (XXI) 0.000 IN TALBOT;
10 (XXII) 0.000 IN WASHINGTON;
11 (XXIII) 0.000 IN WICOMICO; AND
12 (XXIV) 0.000 IN WORCESTER.

13 [(7)] (9) "Local contribution rate" means the figure that is calculated as
14 follows:

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

- 17 1. 0.46 in fiscal year 2004;
18 2. 0.47 in fiscal year 2005;
19 3. 0.48 in fiscal year 2006;
20 4. 0.49 in fiscal year 2007; and
21 5. 0.50 in fiscal year 2008 and each fiscal year thereafter;

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

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

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

1 [(8)] (10) "Local share of the foundation program" means the product of
2 the local contribution rate and a county's wealth.

3 [(9)] (11) "Net taxable income" means the amount certified by the State
4 Comptroller for the second completed calendar year before the school year for which
5 the calculation of State aid under this section is made, based on tax returns filed on
6 or before September 1 after this calendar year.

7 [(10)] (12) "Personal property" means all property classified as personal
8 property under § 8-101(c) of the Tax - Property Article.

9 [(11)] (13) "Real property" means all property classified as real property
10 under § 8-101(b) of the Tax - Property Article.

11 [(12)] (14) "State share of the foundation program" means the greater of:

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

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

- 17 1. 0.25 in fiscal year 2004;
- 18 2. 0.24 in fiscal year 2005;
- 19 3. 0.22 in fiscal year 2006;
- 20 4. 0.19 in fiscal year 2007; and
- 21 5. 0.15 in fiscal year 2008 and each fiscal year thereafter.

22 [(13)] (15) "Target per pupil foundation amount" means:

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

24 (ii) In subsequent fiscal years:

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

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

31 [(14)] (16) "Wealth" means the sum of:

32 (i) Net taxable income;

- 1 (ii) 100 percent of the assessed value of the operating real property
- 2 of public utilities;
- 3 (iii) 40 percent of the assessed valuation of all other real property;
- 4 and
- 5 (iv) 50 percent of assessed value of personal property.

6 **Article - Health - General**

7 19-801.

8 In this subtitle, "compulsive gambler" means an individual:

- 9 (1) Who is preoccupied chronically and progressively with gambling and
- 10 the urge to gamble; and
- 11 (2) Whose gambling behavior compromises, disrupts, or damages the
- 12 individual's personal, family, or vocational pursuits.

13 19-802.

14 The General Assembly finds that:

- 15 (1) Compulsive gambling is a serious social problem;
- 16 (2) There is evidence that the availability of gambling increases the risk
- 17 of becoming a compulsive gambler; and
- 18 (3) This State, with its extensive legalized gambling, has an obligation to
- 19 provide a program of treatment for compulsive gamblers.

20 19-803.

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

24 19-804.

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

- 31 (i) Inpatient services.
- 32 (ii) Outpatient services.

- 1 (iii) Partial care services.
- 2 (iv) Aftercare services.
- 3 (v) Consultative services.
- 4 (vi) Educational services.
- 5 (vii) Other preventive or rehabilitative services or treatment.

6 (2) Research and training that are designed to improve or extend these
7 services are proper items of expense.

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

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

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

17 (D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE
18 SEPTEMBER 30, 2006.

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

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

25 **Article - State Government**

26 9-101.

27 (c) "Commission" means the State [Lottery] GAMING Commission.

28 9-104.

29 There is a State [Lottery] GAMING Commission in the Agency.

30 9-105.

31 (a) The GAMING Commission consists of [5] NINE members appointed by the
32 Governor.

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

3 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

11 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
12 LOTTERY TERMINALS;

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

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

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

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

21 (C) THE COMMISSION MAY CONSIDER THE INCLUSION OF:

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

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

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

26 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
27 TECHNOLOGY.

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

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

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

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

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

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

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

10 9-108.

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

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

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

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

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

20 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

21 9-1A-01.

22 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

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

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

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

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

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

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

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

13 (1) INFORMATION RETRIEVAL;

14 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO
15 LOTTERY TERMINALS; AND

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

17 (I) "COMMISSION" MEANS THE STATE GAMING COMMISSION.

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

20 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
21 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
22 SUBTITLE, INCLUDING:

23 (1) THE COSTS OF SUPERVISING THE PURCHASE OF THE VIDEO
24 LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT, AND THE PURCHASE OF THE
25 CENTRAL COMPUTER;

26 (2) THE COSTS TO REPAIR AND MAINTAIN THE CENTRAL COMPUTER TO
27 THE EXTENT THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR
28 PURCHASING THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
29 CENTRAL COMPUTER;

30 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
31 TERMINALS; AND

32 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
33 OTHER RELATED ACTIVITIES.

34 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
35 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
36 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND

1 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
2 ADOPTION, OR NATURAL RELATIONSHIP.

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

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

7 (O) "MANUFACTURER" MEANS A PERSON:

8 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
9 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL
10 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY
11 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
12 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
13 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
14 HOUSED;

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

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

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

22 (Q) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST IN
23 EXCESS OF 15% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

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

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

29 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
30 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
31 SYSTEM.

32 (U) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
33 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
34 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
35 JACKPOTS.

36 (V) "RACETRACK LOCATION" MEANS A LOCATION AT A RACETRACK THAT
37 HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO HOLD A RACE

1 MEETING AND THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO LOTTERY
2 OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.

3 (W) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
4 VIDEO LOTTERY TERMINAL.

5 (X) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO
6 HOLDS A LICENSE.

7 (Y) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY
8 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

9 (Z) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A
10 PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

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

14 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME
15 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE
16 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR
17 OTHER DEVICE; AND

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

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

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

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

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

31 9-1A-02.

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

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

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

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

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

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

10 (II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
11 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
12 LOTTERY TERMINALS;

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

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

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

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

24 (II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE
25 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
26 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
27 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
28 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
29 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

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

33 9-1A-03.

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

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

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

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

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

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

10 9-1A-04.

11 (A) THE COMMISSION SHALL:

12 (1) HEAR AND DECIDE, PROMPTLY AND IN REASONABLE ORDER, CAUSES
13 AFFECTING THE GRANTING, SUSPENSION, REVOCATION, OR RENEWAL OF LICENSES
14 UNDER THIS SUBTITLE;

15 (2) PROMPTLY PROCESS AND REVIEW EACH APPLICATION TO
16 DETERMINE WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY LICENSE;

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

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

22 (5) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
23 ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;

24 (6) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
25 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
26 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
27 TO LICENSING;

28 (7) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF
29 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS
30 SUBTITLE;

31 (8) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
32 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
33 LOTTERY FACILITY FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
34 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
35 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
36 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS

1 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
2 PROPER; AND

3 (9) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
4 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
5 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

6 (B) THE COMMISSION MAY:

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

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

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

16 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

22 (1) ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT
23 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
24 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
25 COMMISSION;

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

30 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
31 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
32 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
33 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
34 THIS SUBTITLE;

35 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
36 CONDUCTED BY THE COMMISSION;

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

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

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

12 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
13 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER
14 THIS SUBTITLE;

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

17 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
18 MANAGEMENT CONTROLS;

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

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

29 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE
30 AND MAINTAIN FINANCIAL VIABILITY;

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

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

34 (E) (1) THE COMMISSION SHALL BY REGULATION REQUIRE AN APPLICANT
35 OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE FAITHFUL
36 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND ANY
37 REGULATIONS ISSUED UNDER THIS SUBTITLE.

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

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

7 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
8 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
9 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

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

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

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

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

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

32 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
33 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
34 THE COMMISSION.

35 9-1A-05.

36 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT ISSUE
37 MORE THAN SIX VIDEO LOTTERY OPERATION LICENSES.

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

3 (1) AN OWNER OF A RACETRACK LOCATION DESCRIBED IN § 9-1A-34 OF
4 THIS SUBTITLE; OR

5 (2) AN OWNER OR OPERATOR OF A NONRACETRACK DESTINATION
6 LOCATION DESCRIBED UNDER § 9-1A-34 OF THIS SUBTITLE; AND

7 (3) IN THE CASE OF ITEMS (1) AND (2) OF THIS SUBSECTION, A RESIDENT
8 OF THE STATE OF MARYLAND WHO HAS RESIDED IN THE STATE FOR AT LEAST 3
9 YEARS IMMEDIATELY PRIOR TO THE TIME OF THE FILING OF AN APPLICATION.

10 (C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A
11 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION AT THE TIME
12 THE LICENSE IS ISSUED.

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

17 (2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN A MAJORITY
18 INTEREST IN MORE THAN ONE VIDEO LOTTERY FACILITY.

19 (E) (1) A CLASS A LICENSEE SHALL PAY A LICENSE FEE OF \$50,000,000 AND IS
20 ENTITLED TO HAVE UP TO 3,500 VIDEO LOTTERY TERMINALS;

21 (2) A CLASS B LICENSEE SHALL PAY A LICENSE FEE OF \$30,000,000 AND
22 IS ENTITLED TO HAVE UP TO 1,750 VIDEO LOTTERY TERMINALS.

23 9-1A-06.

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

25 (1) A VIDEO LOTTERY OPERATOR;

26 (2) A MANUFACTURER;

27 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
28 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
29 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
30 AND

31 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

5 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF
6 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO
7 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
8 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT
9 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
10 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

11 9-1A-07.

12 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
13 APPLICATION:

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

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

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

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

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

22 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
23 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
24 PERSON'S QUALIFICATIONS.

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

28 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
29 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
30 ISSUED UNDER THIS SUBTITLE.

31 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
32 DUTY TO:

33 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
34 THE COMMISSION; AND

35 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
36 HEARING CONDUCTED BY THE COMMISSION.

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

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

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

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

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

20 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
21 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
22 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 ANY LICENSE REQUIRED UNDER
33 THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
34 COMMISSION, THE COMMISSION SHALL:

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

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

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

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

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

19 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION
20 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY
21 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION
22 REQUIRED BY THE COMMISSION.

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

26 9-1A-08.

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

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

32 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES
33 OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE
34 BUSINESS ENTITY;

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

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

1 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
2 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR
3 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS
4 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
5 BUSINESS ENTITIES;

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

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

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

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

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

19 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
20 ARRANGEMENTS;

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

22 (13) A LISTING OF STOCK OPTIONS.

23 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION
24 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY
25 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND
26 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY SHALL, AS
27 A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY
28 OPERATION LICENSE:

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

30 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
31 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
32 COMMISSION MAY REQUIRE.

33 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
34 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
35 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
36 REQUIRED BY THE COMMISSION.

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

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

7 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
8 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
9 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
10 OR REQUESTED BY THE COMMISSION;

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

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

18 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO
19 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN
20 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN
21 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE
22 OR A GAMBLING OFFENSE;

23 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS
24 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
25 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS SUBSECTION; HOWEVER, AT
26 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE
27 APPLICATION DURING THE PENDENCY OF THE CHARGE;

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

34 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
35 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
36 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
37 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
38 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
39 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

40 (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON WHO
41 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A

1 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF
2 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED
3 UNDER THE CRIMINAL LAWS OF THE STATE;

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

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

12 9-1A-09.

13 (A) IN THE EVENT THAT A LICENSE IS ISSUED TO A RACETRACK LOCATION,
14 THAT LOCATION SHALL MAINTAIN, AS A CONDITION OF LICENSURE, AT LEAST THE
15 SAME NUMBER OF LIVE RACING DAYS AS WERE AUTHORIZED BY THE STATE RACING
16 COMMISSION FOR THAT LOCATION IN 2005 UNLESS THE LICENSEE IS PREVENTED BY
17 WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE
18 LICENSEE.

19 (B) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR THE
20 PIMLICO RACE COURSE OR LAUREL PARK, THE VIDEO LOTTERY OPERATION LICENSE
21 SHALL BE REVOKED IF THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS,
22 SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE RACING EVENTS THAT
23 ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE WOODLAWN VASE ARE
24 TRANSFERRED TO A LOCATION OUTSIDE OF BALTIMORE CITY.

25 (C) IF A LICENSE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A
26 RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE, IN ADDITION TO MEETING
27 THE REQUIREMENTS UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION, SHALL
28 PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE RUN ANNUALLY AT
29 LAUREL PARK UNLESS:

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

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

34 (D) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH RACETRACK
35 LOCATION LICENSEE SHALL DEVELOP AND SUBMIT TO THE COMMISSION A
36 MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF HORSE RACING AT
37 THE LOCATION WHERE THE LICENSE IS GRANTED.

38 (2) EACH PLAN SHALL INCLUDE:

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

4 (II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT
5 REFLECTS, AT A MINIMUM:

6 1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE
7 RACING COMMISSION;

8 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
9 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES THAT ARE NOT IN
10 ALLEGANY COUNTY OF AT LEAST \$1,500,000 ANNUALLY; AND

11 3. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
12 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES IN ALLEGANY COUNTY OF
13 AT LEAST \$750,000 ANNUALLY.

14 (3) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION
15 THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE, INCLUDING
16 THOSE BENEFITTING FROM THE PURSE DEDICATION FUND, SHALL JOINTLY
17 DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE
18 HORSE RACING INDUSTRY IN MARYLAND.

19 (II) THE JOINT PLAN SHALL INCLUDE GOALS, INDICATORS, AND
20 TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE THOROUGHBRED
21 AND HARNESS RACING INDUSTRY TO IMPROVE THE QUALITY AND MARKETING OF
22 THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING JOINT MARKETING
23 EFFORTS.

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

30 (F) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A
31 RACETRACK LOCATION AT EITHER THE PIMLICO RACE COURSE OR LAUREL PARK, IN
32 THE PLAN SUBMITTED ONE OF THE CAPITAL MAINTENANCE AND IMPROVEMENT
33 ITEMS IN THE PLAN SHALL BE THE CREATION OF A PREMIER CLASSIC RACETRACK
34 AND MUSEUM AS A PART OF THE PIMLICO RACE COURSE.

35 (G) THE PLANS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION SHALL
36 ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE
37 POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

1 9-1A-10.

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

7 (2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE
8 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN
9 THE STATE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT SHALL
10 MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS TO THE
11 EXTENT POSSIBLE.

12 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,
13 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,
14 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE
15 REQUIREMENTS OF THIS SUBSECTION.

16 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
17 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING
18 QUALIFIED EMPLOYEES FROM THE COMMUNITIES WITHIN 10 MILES OF THE VIDEO
19 LOTTERY FACILITY.

20 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY
21 BELIEVES THAT THEY HAVE BEEN DISCRIMINATED AGAINST IN THE EMPLOYMENT
22 PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION TO THE LOCAL
23 HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY
24 IS LOCATED.

25 (6) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
26 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS
27 EMPLOYEES.

28 (B) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
29 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A
30 CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

1 (C) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED
2 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR
3 AFTER JULY 1, 2007.

4 9-1A-11.

5 (A) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION
6 AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE
7 STATE.

8 (B) (1) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE
9 SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS
10 SUBTITLE AND SHALL BE USED TO FUND THE FISCAL YEAR 2006 GEOGRAPHIC COST
11 OF EDUCATION INDEX UNDER THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS
12 ACT, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF
13 2002.

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

18 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
19 LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT THE
20 LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE HAS BEEN ISSUED
21 WITHIN 24 MONTHS AFTER THE LICENSE IS ISSUED.

22 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT
23 EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A
24 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE
25 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY
26 ALLOW THE LICENSEE AN EXTENSION OF 12 MONTHS TO COMPLY WITH THE
27 REQUIREMENTS.

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

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

33 9-1A-12.

34 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
35 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
36 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
37 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
38 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
39 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND

1 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO
2 LOTTERY OPERATION LICENSEES.

3 9-1A-13.

4 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 20
5 YEARS.

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

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

14 (D) AT THE END OF THE INITIAL 20-YEAR LICENSE TERM, A VIDEO LOTTERY
15 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF
16 15 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

19 9-1A-14.

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

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

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

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

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

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

34 (4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME
35 INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED
36 STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION

1 MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
2 CHARGE;

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

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

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

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

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

25 9-1A-15.

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

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

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

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

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

12 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
13 AND

14 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
15 ANOTHER STATE.

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

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

26 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
27 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
28 AND

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

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

35 9-1A-17.

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

1 (1) PROPER APPLICATION FOR RENEWAL; AND

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

4 9-1A-18.

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

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

17 (1) PRECLUDE:

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

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

22 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
23 SUBTITLE WITHOUT COMMISSION APPROVAL; AND

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

27 9-1A-19.

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

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

30 (2) PLEDGED AS COLLATERAL WITHOUT APPROVAL OF THE
31 COMMISSION.

32 (B) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN 10% OF
33 THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

34 (1) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED SALE
35 OR TRANSFER; AND

1 (2) THE COMMISSION DETERMINES THAT THE PROPOSED BUYER OR
2 TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

3 9-1A-20.

4 (A) THE DEPARTMENT OF STATE POLICE SHALL:

5 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
6 A TIMELY MANNER; AND

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

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

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

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

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

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

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

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

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

32 (4) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER
33 THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED
34 BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL
35 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-21.

5 (A) (1) EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED
6 EQUIPMENT, SHALL BE OWNED OR LEASED BY THE LICENSE HOLDER AND UNDER
7 THE SUPERVISION OF THE COMMISSION.

8 (2) THE CENTRAL COMPUTER SHALL BE OWNED OR LEASED BY THE
9 COMMISSION.

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

16 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE
17 OR LEASE OF VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE IN A MANNER
18 THAT PROVIDES A COMPETITIVE PROCESS AMONG LICENSED MANUFACTURERS
19 WITH INCENTIVES TO LICENSED MANUFACTURERS BASED ON THE PERFORMANCE
20 OF THE MANUFACTURER'S VIDEO LOTTERY TERMINALS AND WITH THE ASSURANCES
21 THAT THE VIDEO LOTTERY TERMINALS ARE AT ALL TIME CONNECTED TO THE
22 CENTRAL COMPUTER.

23 9-1A-22.

24 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED
25 UNDER § 9-1A-34 OF THIS SUBTITLE MAY AWARD UP TO 17,500 VIDEO LOTTERY
26 TERMINALS FOR OPERATION AT VIDEO LOTTERY CLASS A AND CLASS B FACILITIES IN
27 THE STATE.

28 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD
29 UP TO 3,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT EACH CLASS A
30 LOCATION IN THE STATE.

31 (2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD
32 UP TO 1,750 VIDEO LOTTERY TERMINALS AT EACH CLASS B LOCATION.

33 9-1A-23.

34 (A) A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL PAYOUT
35 PERCENTAGE OF AT LEAST 85%.

36 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY.

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

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

6 9-1A-24.

7 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION
8 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION
9 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

23 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
24 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE
25 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN
26 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
27 TERMINALS ARE LOCATED.

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

32 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
33 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
34 RELATING TO INDIVIDUALS:

35 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
36 ADOPTED BY THE COMMISSION;

37 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
38 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED

1 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
2 GAMBLING OFFENSE; OR

3 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
4 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
5 PERSON.

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

10 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
11 JUDICIAL REVIEW.

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

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

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

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

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

28 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
29 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
30 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE
31 VOLUNTARY EXCLUSION LIST.

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

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

36 (II) REQUIRE PAYOUT ABOVE AN AMOUNT ADOPTED BY THE
37 COMMISSION TO BE MADE BY CHECK;

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

3 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS
4 WILL ACCEPT;

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

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

11 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM
12 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY
13 MARKETING PRACTICES.

14 9-1A-25.

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

17 (1) THIS SUBTITLE;

18 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

19 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

26 (I) THE SERIOUSNESS OF THE VIOLATION;

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

28 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
29 WHO COMMITTED THE VIOLATION.

30 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,
31 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL
32 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO
33 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING
34 TO VIDEO LOTTERY OPERATIONS.

1 9-1A-26.

2 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS
3 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO A STATE GAMING FUND
4 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED
5 UNDER § 9-1A-27 OF THIS SUBTITLE.

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

8 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
9 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED
10 UNDER § 9-1A-27 OF THIS SUBTITLE.

11 9-1A-27.

12 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
13 TERMINALS:

14 (1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 2.5%
15 TO THE GAMING COMMISSION AND 1.0% TO THE STATE LOTTERY AGENCY FOR COSTS
16 AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE; AND

17 (2) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION
18 AND EACH YEAR THEREAFTER, 2.5% TO THE GAMING COMMISSION AND .5% TO THE
19 STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE.

20 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE, THE
21 COMPTROLLER SHALL PAY FROM THE PROCEEDS OF ALL VIDEO LOTTERY
22 TERMINALS:

23 (1) (I) 41.5% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
24 9-1A-29 OF THIS SUBTITLE;

25 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
26 COMMISSION, 45% TO VIDEO LOTTERY OPERATION LICENSEES GENERATED FROM
27 THAT LICENSEE'S LICENSED LOCATION;

28 (3) (I) SUBJECT TO THE PROVISIONS OF ITEM (II) OF THIS ITEM, ON A
29 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 5% IN A LOCAL
30 DEVELOPMENT GRANT TO THE CITY OR COUNTY IN WHICH A VIDEO LOTTERY
31 FACILITY AT A LOCATION IS LOCATED; OR

32 (II) IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED
33 TO A THOROUGHBRED RACETRACK LOCATION IN ANNE ARUNDEL COUNTY, ON A
34 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE
35 PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE THOROUGHBRED RACETRACK,
36 THE LOCAL DEVELOPMENT GRANT SHALL BE DISTRIBUTED IN THE FOLLOWING
37 MANNER:

1 1. 73% TO ANNE ARUNDEL COUNTY;

2 2. 17% TO HOWARD COUNTY; AND

3 3. 10% TO THE CITY OF LAUREL; AND

4 (4) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
5 5.0% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
6 SUBTITLE; AND

7 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
8 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
9 TRANSMITTAL PREPARED BY THE COMMISSION, 5.5% TO THE PURSE DEDICATION
10 ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE.

11 9-1A-28.

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

14 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
15 9-1A-27 OF THIS SUBTITLE.

16 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
17 THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

18 (3) THE COMPTROLLER SHALL:

19 (I) ACCOUNT FOR THE ACCOUNT; AND

20 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
21 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
22 ACCOUNT IN THE MANNER PROVIDED UNDER THIS SECTION.

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

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

28 (C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS
29 SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF
30 THE FUNDS IN THE PURSE DEDICATION ACCOUNT EACH YEAR TO THE
31 THOROUGHBRED INDUSTRY AND TO THE STANDARD BRED INDUSTRY BASED ON THE
32 PERCENTAGE OF THE TOTAL WAGERING ON LIVE RACING AT RACETRACKS IN THE
33 STATE THAT CAN BE ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR
34 CALENDAR YEAR.

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

1 (1) 84% TO THOROUGHBRED PURSES AT THE PIMLICO RACECOURSE,
2 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN
3 TIMONIUM; AND

4 (2) 16% TO THE MARYLAND-BRED RACE FUND.

5 (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AT THE
6 ROSECROFT RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN
7 ALLEGANY COUNTY AND THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS
8 FOLLOWS:

9 (1) 84% TO STANDARD BRED PURSES; AND

10 (2) 16% TO THE STANDARD BRED RACE FUND.

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

14 9-1A-29.

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

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

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

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

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

31 9-1A-30.

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

36 (1) INFRASTRUCTURE IMPROVEMENTS;

- 1 (2) FACILITIES;
- 2 (3) PUBLIC SAFETY;
- 3 (4) SANITATION;
- 4 (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING;
- 5 AND
- 6 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE
- 7 COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

8 (B) (1) A LOCAL DEVELOPMENT COUNCIL SHALL BE ESTABLISHED IN EACH

9 GEOGRAPHIC AREA WHERE A VIDEO LOTTERY FACILITY IS LOCATED.

10 (2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE

11 FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN

12 WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH

13 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES

14 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY

15 COUNCILS, OR COUNTY COMMISSIONERS:

16 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE

17 FACILITY IS LOCATED;

18 (II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE

19 COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

20 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION

21 LICENSEE;

22 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE

23 PROXIMITY TO THE FACILITY; AND

24 (V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS

25 LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

26 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT

27 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A

28 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT

29 FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF

30 THIS SECTION.

31 (2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT

32 COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING

33 THE PLAN REQUIRED UNDER THIS SUBSECTION.

34 (3) A COUNTY SHALL SUBMIT THE PLAN TO THE LOCAL DEVELOPMENT

35 COUNCIL FOR REVIEW AND COMMENT BEFORE ADOPTING THE PLAN OR EXPENDING

36 ANY GRANT FUNDS.

1 (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY
2 ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND
3 PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

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

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

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

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

16 (E) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS
17 SUBSECTION, A COUNTY THAT RECEIVES A LOCAL DEVELOPMENT GRANT UNDER
18 THIS SUBTITLE SHALL ALLOCATE AT LEAST 10% OF THE LOCAL DEVELOPMENT
19 GRANT FUNDS EACH YEAR TO THE COUNTY'S ECONOMIC DEVELOPMENT OFFICE TO
20 PROVIDE GRANTS TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE
21 COUNTY.

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

27 9-1A-31.

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

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

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

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

33 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,
34 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §
35 9-1A-30 OF THIS SUBTITLE; AND

36 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
37 TRANSPORTATION.

1 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
2 PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT IF MASS
3 TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE
4 THE VIDEO LOTTERY TERMINAL FACILITY IS LOCATED.

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

8 9-1A-32.

9 (A) THE COMMISSION SHALL:

10 (1) ESTABLISH AN ANNUAL FEE OF \$150.00 TO BE PAID BY EACH VIDEO
11 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED
12 BY THE LICENSEE DURING THE YEAR; AND

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

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

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

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

24 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
25 MADE ONLY:

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

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

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

33 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
34 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
35 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
36 PROCUREMENT ARTICLE.

1 9-1A-33.

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

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

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

8 **Article - State Finance and Procurement**

9 11-203.

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

12 (1) procurement by:

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

17 (xix) the Maryland Developmental Disabilities Administration of the
18 Department of Health and Mental Hygiene for family and individual support services,
19 and individual family care services, as those terms are defined by the Department of
20 Health and Mental Hygiene in regulation; OR

21 (XX) THE GAMING COMMISSION FOR NEGOTIATING AND ENTERING
22 INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,
23 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS EXCEPT THAT THE
24 REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION UNDER TITLE 14,
25 SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY;

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

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

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

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

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

- 1 (v) § 13-221 of this article ("Disclosures to Secretary of State");
2 (vi) Title 16 of this article ("Debarment of Contractors"); and
3 (vii) Title 17 of this article ("Special Provisions - State and Local
4 Subdivisions").

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

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

11 **Article - State Government**

12 9-1A-34.

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

14 (B) (1) (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
15 CONSISTS OF NINE MEMBERS.

16 (II) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
17 SELECT THE LICENSEE FOR EACH VIDEO LOTTERY FACILITY LOCATION.

18 (2) (I) THREE OF THE MEMBERS SHALL BE APPOINTED BY THE
19 PRESIDENT OF THE SENATE.

20 (II) THREE OF THE MEMBERS SHALL BE APPOINTED BY THE
21 SPEAKER OF THE HOUSE.

22 (III) THREE OF THE MEMBERS SHALL BE APPOINTED BY THE
23 GOVERNOR.

24 (3) THE MEMBERSHIP OF THE VIDEO LOTTERY FACILITY LOCATION
25 COMMISSION APPOINTED UNDER THIS SUBSECTION SHOULD REFLECT THE RACE,
26 GENDER, AND GEOGRAPHIC DIVERSITY OF THE POPULATION OF THE STATE.

27 (4) THE GOVERNOR SHALL APPOINT A CHAIRMAN FROM AMONG THE
28 MEMBERS.

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

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

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

32 (3) SHALL BE A RESIDENT OF THE STATE FOR AT LEAST 2 YEARS FROM
33 THE TIME OF APPOINTMENT;

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

3 (I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN
4 CHARGE OF AN ORGANIZATION, BUSINESS, OR FOUNDATION;

5 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR
6 ECONOMICS; OR

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

10 (5) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
11 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
12 OR MORAL TURPITUDE;

13 (6) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO
14 HOLDS A LICENSE UNDER THIS SUBTITLE;

15 (7) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST,
16 OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR
17 OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING
18 HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

19 (8) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
20 RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING OR
21 LOTTERY; AND

22 (9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
23 MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING
24 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
25 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING ACTIVITY.

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

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

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

31 (E) (1) THE GAMING COMMISSION SHALL PROVIDE STAFF TO THE VIDEO
32 LOTTERY FACILITY LOCATION COMMISSION.

33 (2) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL
34 CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS
35 SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE
36 GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION

1 COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS
2 SECTION.

3 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT
4 MORE THAN SIX VIDEO LOTTERY OPERATION LICENSES THROUGH A COMPETITIVE
5 PROCESS CONSISTENT WITH THE PROCESS ESTABLISHED FOR COMPETITIVE SEALED
6 BIDS UNDER TITLE 13 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

7 (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
8 MORE THAN ONE LICENSE TO AN INDIVIDUAL OR BUSINESS ENTITY OWNING A
9 MAJORITY INTEREST IN MORE THAN ONE VIDEO LOTTERY FACILITY.

10 (H) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY FACILITY LICENSE AT A
11 LOCATION UNDER THIS SECTION, A PROPOSED VIDEO LOTTERY FACILITY SHALL BE
12 LOCATED IN THE FOLLOWING AREAS:

- 13 (1) PRINCE GEORGE'S COUNTY (CLASS A);
- 14 (2) ALLEGANY COUNTY (CLASS B);
- 15 (3) BALTIMORE CITY (CLASS A);
- 16 (4) ANNE ARUNDEL COUNTY (CLASS A);
- 17 (5) HARFORD COUNTY, ALONG INTERSTATE 95 (CLASS A); OR
- 18 (6) POCOMOKE CITY, WORCESTER COUNTY (CLASS B).

19 (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT ISSUE
20 MORE THAN ONE VIDEO LOTTERY OPERATION LICENSE IN ANY ONE OF THE
21 COUNTIES LISTED IN SUBSECTION (H) OF THIS SECTION.

22 (J) A BID SUBMITTED FOR A VIDEO LOTTERY FACILITY LOCATION UNDER
23 THIS SECTION:

24 (1) SHALL BE SUBMITTED BY OCTOBER 1, 2006, AND SHALL STATE
25 WHETHER IT IS FOR A CLASS A OR CLASS B LICENSE; AND

26 (2) SHALL PROVIDE FOR:

27 (I) ALL CLASS A LICENSE FACILITIES TO COST AT LEAST \$65,000,000
28 INCLUDING \$43,000,000 IN DIRECT COSTS BY THE APPLICANT IN CONSTRUCTION,
29 REAL ESTATE ACQUISITION, AND RELATED COSTS FOR THE VIDEO LOTTERY
30 FACILITY; AND

31 (II) ALL CLASS B LICENSE FACILITIES TO COST AT LEAST \$45,000,000
32 OF WHICH \$30,000,000 IS NEW INVESTMENT BY THE APPLICANT IN CONSTRUCTION,
33 REAL ESTATE ACQUISITION, AND RELATED COSTS FOR THE VIDEO LOTTERY
34 FACILITY.

1 (K) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO
2 LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE FACTORS UNDER
3 THIS SUBSECTION IN THE MANNER SPECIFIED.

4 (2) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (6) OF THIS
5 SUBSECTION, THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
6 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 60% BASED ON
7 BUSINESS AND MARKET FACTORS INCLUDING:

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

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

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

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

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

19 (VI) THE CLOSE PROXIMITY OF A PROPOSED LOCATION TO
20 INTERSTATE 95, ROUTE 50, AND OTHER INTERSTATE ROUTES.

21 (3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
22 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 10% BASED ON THE
23 PERCENTAGE OF OWNERSHIP BY ENTITIES MEETING THE DEFINITION OF MINORITY
24 BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND
25 PROCUREMENT ARTICLE.

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

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

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

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

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

1 (II) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE
2 EXPENDITURES AT THE PROPOSED FACILITY.

3 (6) WITH REGARD TO ONE CLASS A LICENSE LOCATION, THE DECISION
4 BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO AWARD A LICENSE
5 SHALL BE WEIGHTED BY 50% BASED ON THE PERCENTAGE OF OWNERSHIP OF THE
6 LICENSE BY A MINORITY WHICH IS AT LEAST A 50% OWNER, IN WHICH EVENT ALL
7 PERCENTAGES SET FORTH IN THIS SUBSECTION SHALL BE REDUCED BY 50%.

8 (L) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
9 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT
10 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

11 (M) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
12 REFER TO THE GAMING COMMISSION THE NAME AND ALL RELEVANT INFORMATION
13 CONCERNING A PERSON THAT MAKES A BID UNDER THIS SECTION.

14 (2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS
15 SUBSECTION, THE GAMING COMMISSION SHALL DETERMINE WHETHER A BIDDER IS
16 QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE UNDER THIS
17 SUBTITLE.

18 (3) ON COMPLETION OF ITS DETERMINATION, THE GAMING
19 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
20 OF ITS DETERMINATION AS TO WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO
21 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

22 (N) AFTER THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AWARDS A
23 VIDEO LOTTERY OPERATION LICENSE UNDER THIS SECTION, THE GAMING
24 COMMISSION SHALL BE RESPONSIBLE FOR ALL MATTERS RELATING TO REGULATION
25 OF THE LICENSEE.

26 (O) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT A
27 VIDEO LOTTERY OPERATION LICENSEE THAT IS AWARDED A LICENSE AT A
28 LOCATION FROM BEGINNING VIDEO LOTTERY TERMINAL OPERATIONS IN A
29 TEMPORARY FACILITY THAT MEETS THE MINIMUM REQUIREMENTS ESTABLISHED IN
30 REGULATIONS ADOPTED BY THE GAMING COMMISSION.

31 (2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS
32 SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A LOCATION SHALL BE
33 FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS AFTER
34 THE ISSUANCE OF THE VIDEO LOTTERY OPERATION LICENSE.

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

38 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,
39 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO
40 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY

1 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID
2 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS
3 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

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

6 **Article - State Finance and Procurement**

7 11-203.

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

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

13 **Article - State Finance and Procurement**

14 11-203.

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

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

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

33 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated
34 by the Board of Public Works under § 14-303(b) of the State Finance and
35 Procurement Article of the Annotated Code of Maryland, in consultation with the
36 General Assembly and the Office of the Attorney General, shall initiate two studies of
37 the requirements of § 9-1A-09 of the State Government Article, as enacted by Section
38 1 of this Act, that evaluate the continued compliance of the requirement with any
39 federal and constitutional requirements. In preparation for the studies, the Gaming

1 Commission shall require video lottery operation license applicants and licensees to
2 provide any information necessary to perform the study. The studies shall also
3 evaluate race-neutral programs or other methods that can be used to address the
4 needs of minority investors and minority businesses. A final report of the first study
5 shall be submitted to the Legislative Policy Committee on or before December 1, 2005,
6 so that the General Assembly may review the report prior to the 2006 Session. A final
7 report of the second study shall be submitted to the Legislative Policy Committee on
8 or before September 30, 2007, so that the General Assembly may review the report in
9 conjunction with the report of the study on the Minority Business Enterprise Program
10 prior to the 2008 Session.

11 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of
12 Transportation shall study the impact of the increased traffic resulting from any
13 proposed operation of video lottery terminals at Pimlico Race Course, including the
14 need for an interchange on Jones Falls Expressway between Northern Parkway and
15 Interstate 695. The Department of Transportation shall provide a final report on the
16 study required under this section to the General Assembly on or before December 1,
17 2005, in accordance with § 2-1246 of the State Government Article.

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

- 22 (1) one member in 2006;
- 23 (2) one member in 2007; and
- 24 (3) two members in 2008.

25 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act
26 shall take effect June 1, 2005. It shall remain effective for a period of 2 years following
27 the award of the sixth video lottery operation license and, with no further action
28 required by the General Assembly, Section 2 of this Act shall be abrogated and of no
29 further force and effect. On award of the sixth video lottery operation license, the
30 Video Lottery Facility Location Commission within 5 days after the award shall
31 notify in writing the Department of Legislative Services, 90 State Circle, Annapolis,
32 Maryland 21401.

33 SECTION 11. AND BE IT FURTHER ENACTED, That Section 4 of this Act
34 shall take effect on the taking effect of the termination provision specified in Section
35 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination
36 provision takes effect, Section 3 of this Act shall be abrogated and of no further force
37 and effect. This Act may not be interpreted to have any effect on that termination
38 provision.

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