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

Introduced and read first time: January 21, 2005

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 16, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation  
 4 of certain video lottery terminals; requiring the Governor to appoint a member  
 5 of the State Racing Commission as a liaison to the State Lottery Commission;  
 6 altering a certain geographic cost of education index grant that reflects regional  
 7 differences in the cost of education that are due to factors outside the control of  
 8 local jurisdictions to be a mandatory education funding requirement; requiring  
 9 the Department of Health and Mental Hygiene to establish certain regional  
 10 centers and to conduct a certain prevalence study; requiring the Secretary of  
 11 Health and Mental Hygiene to make certain grants from certain funds; altering  
 12 the membership of the State Lottery Commission; specifying certain  
 13 requirements for members of the State Lottery Commission; requiring the  
 14 Governor to appoint a member of the State Lottery Commission as a liaison to  
 15 the State Racing Commission; providing that members of the State Lottery  
 16 Commission may be compensated as provided in the State budget; authorizing  
 17 the operation of video lottery terminals connected to a certain central computer  
 18 that allows the State Lottery Commission to monitor a video lottery terminal  
 19 and that has certain capabilities; prohibiting access to the central computer by  
 20 certain licensees with a certain exception; providing that only a person with a  
 21 certain video lottery operation license may offer a video lottery terminal for  
 22 public use in the State; providing that this Act is statewide and exclusive in  
 23 effect and that certain laws do not apply to video lottery terminals authorized  
 24 under this Act; requiring the State Lottery Commission to conduct certain  
 25 investigations and hearings; requiring the State Lottery Commission to adopt  
 26 certain regulations; requiring the State Lottery Commission to require a certain  
 27 bond and collect certain fees, civil penalties, and taxes; authorizing the State  
 28 Lottery Commission to inspect and seize certain equipment, financial

1 information, and records without notice or warrant; requiring certain video  
2 lottery terminal manufacturers, video lottery operators, video lottery employees,  
3 and other individuals required by the State Lottery Commission to be licensed;  
4 providing for the application and licensing process; providing for review of a  
5 denial of an application for a certain license by the State Board of Contract  
6 Appeals; establishing the misdemeanor of giving false information in an  
7 application for a license under this Act or in any supplemental information  
8 required by the State Lottery Commission; establishing certain penalties;  
9 establishing certain eligibility criteria and disqualifying criteria for a video  
10 lottery operation license; requiring a person that contracts with a video lottery  
11 operation licensee to meet certain requirements under certain circumstances;  
12 requiring certain video lottery operation licensees to maintain certain numbers  
13 of live racing days; providing that the license of certain video lottery operation  
14 licensees may be revoked if a certain horse racing event or trade names and  
15 other items related to the event are transferred out of the State; requiring a  
16 certain licensee to permit a certain annual race to be conducted with certain  
17 exceptions; requiring certain video lottery operation licensees to submit to the  
18 State Lottery Commission certain plans to improve the quality and marketing of  
19 horse racing and to spend a certain amount on capital renovation of horse racing  
20 facilities each year; requiring the State Racing Commission to monitor the  
21 compliance of certain video lottery operation licensees and certain other  
22 licensees with certain plans; requiring certain applicants and video lottery  
23 operation licensees to comply with certain provisions of law relating to minority  
24 business participation; specifying that certain collective bargaining agreements  
25 do not negate certain provisions of this Act; requiring a video lottery operation  
26 licensee to provide certain health insurance to its employees; authorizing  
27 certain applicants for employment to appeal to certain local human relations  
28 boards under certain circumstances; providing for the monitoring of certain  
29 provisions of this Act by the Governor's Office of Minority Affairs; requiring that  
30 a video lottery operation license not issued for locations specified under this Act  
31 reverts to the State; requiring a licensee to commence operation of video lottery  
32 terminals within a certain time period and authorizing the State Lottery  
33 Commission to grant extensions under certain circumstances; providing for the  
34 term of a video lottery operation license and for reapplication for the license at  
35 the end of the term; providing for certain eligibility criteria and disqualifying  
36 criteria for certain licenses; providing for certain waivers of certain licensing  
37 requirements under certain circumstances; providing for certain license terms  
38 and renewals; stating the intent of the General Assembly relating to video  
39 lottery operation licenses; prohibiting a video lottery operation license from  
40 being transferred or pledged as collateral; prohibiting certain video lottery  
41 operation licensees from selling or otherwise transferring more than a certain  
42 percentage of the legal or beneficial interest unless certain conditions are met;  
43 requiring that the transfer of a certain interest in a person that holds a video  
44 lottery operation license be approved by the State Lottery Commission;  
45 requiring the Department of State Police to conduct certain background  
46 investigations in a certain manner; requiring the State Lottery Commission to  
47 buy or lease the video lottery terminals, associated equipment, and central  
48 computer authorized under this Act; prohibiting more than a certain number of

1 video lottery terminals from being allocated in one county or to licenses held by  
2 the same entity; prohibiting an individual or business entity from holding an  
3 interest in more than a certain number of video lottery operation licenses under  
4 certain circumstances; providing the minimum payout percentage for video  
5 lottery terminals and authorizing the State Lottery Commission to adopt certain  
6 video lottery terminal payout percentages; providing for the hours of operation  
7 of video lottery terminals; prohibiting certain games offered by the State Lottery  
8 Commission from being offered for sale in a video lottery facility; prohibiting the  
9 State Lottery Commission from issuing certain licenses under certain  
10 circumstances; prohibiting a video lottery operation licensee from offering food  
11 or beverages at no cost with a certain exception or from offering food and  
12 beverages below certain prices; requiring a video lottery operation licensee to  
13 ensure that certain individuals are not permitted to play video lottery terminals  
14 and are not permitted in certain areas; requiring the State Lottery Commission  
15 to adopt certain regulations to reduce or mitigate the effects of problem  
16 gambling; authorizing the State Lottery Commission to reprimand a licensee or  
17 deny, suspend, or revoke certain licenses under certain circumstances; requiring  
18 the Comptroller to collect and distribute certain money in specified ways;  
19 establishing a Purse Dedication Account under the authority of the State Racing  
20 Commission; providing for a certain distribution from video lottery proceeds to  
21 the Purse Dedication Account for horse racing; providing for certain  
22 distributions from the Purse Dedication Account for horse racing in a certain  
23 manner; establishing the Education Trust Fund; requiring certain distributions  
24 from video lottery proceeds to the Education Trust Fund to be used for certain  
25 purposes; requiring the Governor to provide certain funding for public school  
26 construction from the Education Trust Fund for certain fiscal years; providing  
27 for the creation of certain local development councils; providing for appointment  
28 and membership of certain local development councils; requiring certain  
29 counties to develop certain plans to be reviewed by certain local development  
30 councils; specifying that a certain percentage of certain local development  
31 grants should be used for certain purposes; authorizing the State to pay certain  
32 transportation costs; requiring the Department of Transportation to facilitate  
33 certain negotiations; requiring a certain transportation plan to be developed by  
34 certain counties; authorizing certain fees and providing for a certain  
35 distribution from certain fees to the Compulsive Gambling Fund; creating a  
36 Compulsive Gambling Fund in the Department of Health and Mental Hygiene;  
37 providing for certain disbursements from the Compulsive Gambling Fund for  
38 certain purposes; requiring the State Lottery Commission to make a certain  
39 annual report by a certain date; prohibiting a licensee for a certain period of  
40 time from employing, or entering into a financial relationship with, an  
41 individual who was a member of the State Lottery Commission or the Video  
42 Lottery Facility Location Commission; exempting certain procurements by the  
43 State Lottery Agency from certain requirements; establishing a Video Lottery  
44 Facility Location Commission; establishing the membership of the Video Lottery  
45 Facility Location Commission; requiring the approval of the Legislative Policy  
46 Committee for certain appointments to the Video Lottery Facility Location  
47 Commission; establishing certain eligibility requirements for membership on  
48 the Video Lottery Facility Location Commission; providing for certain

1 reimbursements and staffing; requiring the Department of Budget and  
2 Management to contract with a certain consultant; requiring the Video Lottery  
3 Facility Location Commission to establish a certain application fee; prohibiting  
4 the Video Lottery Facility Location Commission from awarding more than a  
5 certain number of video lottery operation licenses; requiring certain bids for  
6 video lottery operation licenses to include certain information and to meet  
7 certain requirements; prohibiting the Video Lottery Facility Location  
8 Commission from issuing more than two licenses in one county or more than a  
9 certain number of video lottery terminals in one county; requiring the Video  
10 Lottery Facility Location Commission to consider certain factors; requiring  
11 certain initial video lottery operation license fees to be placed in the Education  
12 Trust Fund; requiring the State Lottery Commission to make certain  
13 determinations and be responsible for certain matters relating to racetrack  
14 locations and nonracetrack destination locations; providing for review of a  
15 denial of an application for a certain license by the State Board of Contract  
16 Appeals; providing for certain appeals to be made directly to the Court of  
17 Appeals of Maryland; allowing the operation of video lottery terminals in a  
18 temporary facility under certain circumstances; providing for the construction of  
19 certain provisions of this Act; making the provisions of this Act severable;  
20 requiring a certain certification entity to conduct certain studies and make  
21 certain reports; requiring the Department of Transportation to conduct a certain  
22 study and make a certain report by a certain date; providing for the payment of  
23 the cost of the study conducted by the Department of Transportation; providing  
24 that the costs of certain improvements and the planning, design, and  
25 construction of a certain interchange are the sole responsibility of the holder of  
26 a certain license and may not be paid from State funds; providing for the  
27 staggering of the terms of certain new members of the State Lottery  
28 Commission; making certain stylistic changes; providing for the termination of  
29 certain provisions of this Act; providing that certain provisions of this Act are  
30 contingent on the termination of another Act; defining certain terms; and  
31 generally relating to the operation of video lottery terminals at certain locations  
32 in the State, altering the membership of the State Lottery Commission;  
33 specifying certain requirements for members of the State Lottery Commission;  
34 requiring the Governor to appoint a member of the State Lottery Commission as  
35 a liaison to the State Racing Commission; providing that members of the State  
36 Lottery Commission may be compensated as provided in the State budget;  
37 authorizing the operation of video lottery terminals connected to a certain  
38 central computer that allows the State Lottery Commission to monitor a video  
39 lottery terminal and that has certain capabilities; prohibiting access to the  
40 central computer to certain licensees with a certain exception; providing that  
41 only a person with a certain video lottery operation license may offer a video  
42 lottery terminal for public use in the State; providing that this Act is statewide  
43 and exclusive in its effect and that certain laws do not apply to video lottery  
44 terminals authorized under this Act; authorizing the State Lottery Commission  
45 to conduct certain investigations and hearings; requiring the State Lottery  
46 Commission to adopt certain regulations; authorizing the State Lottery  
47 Commission to require a certain bond and collect certain fees, civil penalties,  
48 and taxes; prohibiting an individual from giving certain false information;

1 establishing certain criminal penalties; authorizing the State Lottery  
2 Commission to inspect and seize certain equipment, financial information, and  
3 records without notice or warrant; authorizing the State Lottery Commission to  
4 issue a certain number of video lottery operation licenses under certain  
5 circumstances; requiring certain video lottery terminal manufacturers, video  
6 lottery operators, video lottery employees, and other individuals required by the  
7 State Lottery Commission to be licensed; providing for the application and  
8 licensing process; establishing certain eligibility criteria and disqualifying  
9 criteria for a video lottery operation license; requiring certain video lottery  
10 operation licensees to maintain certain numbers of live racing days; providing  
11 that the license of certain video lottery operation licensees may be revoked if a  
12 certain horse racing event or trade names and other items related to the event  
13 are transferred out of the State; requiring a certain licensee to conduct a certain  
14 annual race with certain exceptions; requiring certain video lottery operation  
15 licensees to submit to the State Lottery Commission a certain plan to improve  
16 the quality and marketing of horse racing; requiring certain video lottery  
17 operation licensees to offer for sale a certain percentage of equity ownership to  
18 certain individuals under certain circumstances; requiring certain applicants  
19 and licensees to comply with certain provisions of law relating to minority  
20 business participation; specifying that certain collective bargaining agreements  
21 do not negate certain provisions of this Act; providing for the monitoring of  
22 certain provisions of this Act by the Governor's Office of Minority Affairs;  
23 providing for certain eligibility criteria and disqualifying criteria for certain  
24 licenses; providing for certain waivers of certain licensing requirements under  
25 certain circumstances; providing for certain license terms; stating the intent of  
26 the General Assembly relating to video lottery operation licenses; prohibiting a  
27 video lottery operation license from being transferred or pledged as collateral;  
28 prohibiting certain licensees from selling or otherwise transferring more than a  
29 certain percentage of the legal or beneficial interest unless certain conditions  
30 are met; requiring that the transfer of a certain interest in a person that holds a  
31 video lottery operation license be approved by the State Lottery Commission;  
32 requiring the Department of State Police to conduct certain background  
33 investigations in a certain manner; requiring the State Lottery Commission to  
34 buy or lease the video lottery terminals, associated equipment, and central  
35 computer authorized under this Act; specifying limits on the number of video  
36 lottery terminals allowed at certain facilities; allowing a certain number of  
37 nonracetrack destination locations to be eligible for a video lottery operation  
38 license under certain circumstances; providing the minimum payout for video  
39 lottery terminals and authorizing the State Lottery Commission to adopt certain  
40 video lottery terminal payouts; providing for the hours of operation of video  
41 lottery terminals; prohibiting a video lottery operation licensee from offering  
42 food or beverages at no cost with a certain exception or from offering food and  
43 beverages below certain prices; requiring the State Lottery Commission to adopt  
44 certain regulations to reduce or mitigate the effects of problem gambling;  
45 authorizing the State Lottery Commission to reprimand a licensee or deny,  
46 suspend, or revoke certain licenses under certain circumstances; requiring the  
47 Comptroller to collect and distribute certain money in specified ways;  
48 establishing the Education Trust Fund; requiring certain distributions from

1 video lottery proceeds to the Education Trust Fund to be used for certain  
2 purposes; establishing a Purse Dedication Account under the authority of the  
3 State Racing Commission; providing for a certain distribution from video lottery  
4 proceeds to the Purse Dedication Account for horse racing; providing for certain  
5 distributions from the Purse Dedication Account for horse racing in a certain  
6 manner; requiring certain funds to be used to improve jockey health benefits;  
7 authorizing the State to pay certain transportation costs; requiring the  
8 Department of Transportation to facilitate certain negotiations; requiring a  
9 certain transportation plan to be developed by certain counties; providing for the  
10 creation of certain local development councils; providing for appointment and  
11 membership of certain local development councils; requiring certain counties to  
12 develop certain plans to be reviewed by certain local development councils;  
13 specifying that certain local development grants should be used for certain  
14 purposes; authorizing certain fees and providing for a certain distribution from  
15 certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling  
16 Fund in the Department of Health and Mental Hygiene; providing for certain  
17 disbursements from the Compulsive Gambling Fund for certain purposes;  
18 requiring the State Lottery Commission to make a certain annual report by a  
19 certain date; exempting a certain procurement by the State Lottery Agency from  
20 certain provisions of law; establishing a Video Lottery Facility Location  
21 Commission; establishing the membership of the Video Lottery Facility Location  
22 Commission; establishing certain eligibility requirements for membership on  
23 the Video Lottery Facility Location Commission; providing for certain  
24 reimbursements and staffing; allowing the Video Lottery Facility Location  
25 Commission to award not more than a certain number of video lottery operation  
26 licenses to certain nonracetrack destination locations; requiring certain  
27 nonracetrack video lottery facilities to be in certain counties; requiring the Video  
28 Lottery Facility Location Commission to consider certain factors; prohibiting the  
29 State Lottery Commission from issuing certain licenses under certain  
30 circumstances; requiring the State Lottery Commission to make certain  
31 determinations and be responsible for certain matters relating to nonracetrack  
32 destination locations; allowing a certain number of video lottery terminals for  
33 nonracetrack destination locations; requiring the Department of Transportation  
34 to conduct a certain study and make a certain report by a certain date; requiring  
35 a certain certification entity to conduct certain studies and make certain  
36 reports; making the provisions of this Act severable; providing for the staggering  
37 of the terms of certain new members of the State Lottery Commission; defining  
38 certain terms; providing for the termination of certain provisions of this Act;  
39 providing that certain provisions of this Act are contingent on the termination of  
40 another Act; and generally relating to the operation of video lottery terminals at  
41 certain locations in the State.

42 BY adding to  
43 Article - Business Regulation  
44 Section 11-202(g)  
45 Annotated Code of Maryland  
46 (2004 Replacement Volume)

1 BY repealing and reenacting, ~~without~~ with amendments,  
2 Article - Education  
3 Section 5-202(f)  
4 Annotated Code of Maryland  
5 (2004 Replacement Volume and 2004 Supplement)

6 BY repealing and reenacting, without amendments.  
7 Article - Health - General  
8 Section 19-801 and 19-802  
9 Annotated Code of Maryland  
10 (2000 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments.  
12 Article - Health - General  
13 Section 19-803 and 19-804  
14 Annotated Code of Maryland  
15 (2000 Replacement Volume and 2004 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - State Government  
18 Section 9-105 and 9-108(d)  
19 Annotated Code of Maryland  
20 (2004 Replacement Volume)

21 BY adding to  
22 Article - State Government  
23 Section 9-1A-01 through ~~9-1A-34~~ 9-1A-35 to be under the new subtitle  
24 "Subtitle 1A. Video Lottery Terminals"  
25 Annotated Code of Maryland  
26 (2004 Replacement Volume)

27 BY repealing and reenacting, with amendments,  
28 Article - State Finance and Procurement  
29 Section 11-203(a)(1)(xviii) and (xix)  
30 Annotated Code of Maryland  
31 (2001 Replacement Volume and 2004 Supplement)

32 BY adding to  
33 Article - State Finance and Procurement  
34 Section 11-203(a)(1)(xx)  
35 Annotated Code of Maryland  
36 (2001 Replacement Volume and 2004 Supplement)

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

6 BY repealing and reenacting, with amendments,  
 7 Article - State Finance and Procurement  
 8 Section 11-203(b)~~(1) and (2)~~(3)  
 9 Annotated Code of Maryland  
 10 (2001 Replacement Volume and 2004 Supplement)

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

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

19 **Article - Business Regulation**

20 11-202.

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

24 **Article - Education**

25 5-202.

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

- 28 (i) 0.000 in Allegany;  
 29 (ii) 0.018 in Anne Arundel;  
 30 (iii) 0.042 in Baltimore City;  
 31 (iv) 0.008 in Baltimore;  
 32 (v) 0.021 in Calvert;



- 1 (vi) 0.000 in Caroline;
- 2 (vii) 0.014 in Carroll;
- 3 (viii) 0.000 in Cecil;
- 4 (ix) 0.020 in Charles;
- 5 (x) 0.000 in Dorchester;
- 6 (xi) 0.024 in Frederick;
- 7 (xii) 0.000 in Garrett;
- 8 (xiii) 0.000 in Harford;
- 9 (xiv) 0.015 in Howard;
- 10 (xv) 0.010 in Kent;
- 11 (xvi) 0.034 in Montgomery;
- 12 (xvii) 0.048 in Prince George's;
- 13 (xviii) 0.011 in Queen Anne's;
- 14 (xix) 0.002 in St. Mary's;
- 15 (xx) 0.000 in Somerset;
- 16 (xxi) 0.000 in Talbot;
- 17 (xxii) 0.000 in Washington;
- 18 (xxiii) 0.000 in Wicomico; and
- 19 (xxiv) 0.000 in Worcester.

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

24 (3) ~~Subject to paragraph (4) of this subsection, the~~ THE amount of the  
 25 grant to each county board under this subsection shall equal the GCEI adjustment for  
 26 the county board multiplied times:

- 27 (i) 0.50 in fiscal year ~~2006~~ 2007;
- 28 (ii) 0.62 in fiscal year ~~2007~~ 2008;
- 29 (iii) 0.74 in fiscal year ~~2008~~ 2009;

1 (iv) 0.86 in fiscal year ~~2009~~ 2010; and

2 (v) 1.00 in fiscal year ~~2010~~ 2011 and each fiscal year thereafter.

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

7 (i) ~~The numerator of which is the amount provided in the State~~  
8 ~~budget to fund the grants; and~~

9 (ii) ~~The denominator of which is the sum of the amounts calculated~~  
10 ~~under paragraph (3) of this subsection for all the county boards.~~

11 **Article - Health - General**

12 19-801.

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

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

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

18 19-802.

19 The General Assembly finds that:

20 (1) Compulsive gambling is a serious social problem;

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

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

25 19-803.

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

29 19-804.

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

1 WHO RESIDE IN THE STATE AND THEIR IMMEDIATE FAMILY MEMBERS and establish  
2 and operate ADDITIONAL local programs to provide the following for compulsive  
3 gamblers WHO RESIDE IN THE STATE:

4 (i) Inpatient services[.];

5 (ii) Outpatient services[.];

6 (iii) Partial care services[.];

7 (iv) Aftercare services[.];

8 (v) Consultative services[.];

9 (vi) Educational services[.];

10 (vii) SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND

11 (VIII) Other preventive or rehabilitative services or treatment.

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

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

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

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

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

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

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

1 **Article - State Government**

2 9-105.

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

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

7 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

15 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO  
16 LOTTERY TERMINALS;

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

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

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

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

25 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

30 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION  
31 TECHNOLOGY.

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

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

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

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

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

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

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

14 9-108.

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

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

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

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

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

24 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

25 9-1A-01.

26 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
27 INDICATED.

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

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

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

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

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

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

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

16 (1) INFORMATION RETRIEVAL; ~~AND~~

17 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO  
18 LOTTERY TERMINALS; AND

19 ~~(2)~~ (3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY  
20 TERMINALS.

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

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

24 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE  
25 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS  
26 SUBTITLE, INCLUDING:

27 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING  
28 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL  
29 COMPUTER;

30 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY  
31 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT  
32 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE  
33 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

34 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY  
35 TERMINALS; AND

1 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND  
2 OTHER RELATED ACTIVITIES.

3 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,  
4 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,  
5 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND  
6 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,  
7 ADOPTION, OR NATURAL RELATIONSHIP.

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

10 (N) "LICENSEE" MEANS AN APPLICANT THAT HAS BEEN ISSUED A LICENSE  
11 REQUIRED UNDER THIS SUBTITLE.

12 (O) "MANUFACTURER" MEANS A PERSON:

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

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

22 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE  
23 SALE, LEASE, OR OTHER ASSIGNMENT OF A PRODUCT DESCRIBED IN PARAGRAPH (1)  
24 OF THIS SUBSECTION.

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

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

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

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

35 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR  
36 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT  
37 SYSTEM.

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

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

8 (~~W~~) (W) "VIDEO LOTTERY" MEANS GAMING OR BETTING THAT IS CONDUCTED  
9 USING A VIDEO LOTTERY TERMINAL.

10 (~~W~~) (X) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON  
11 THAT HOLDS A LICENSE.

12 (~~X~~) (Y) "VIDEO LOTTERY FACILITY" MEANS A FACILITY WHERE PLAYERS  
13 PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

14 (~~Y~~) (Z) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED  
15 TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

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

19 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME  
20 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE  
21 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR  
22 OTHER DEVICE; AND

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

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

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

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

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



1 9-1A-02.

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

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

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

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

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

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

14 ~~(II)~~ CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING  
15 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO  
16 LOTTERY TERMINALS;

17 ~~(III)~~ (II) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL  
18 MONEY INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

19 ~~(IV)~~ (III) DISABLING FROM OPERATION OR PLAY ANY VIDEO  
20 LOTTERY TERMINAL AS THE COMMISSION CONSIDERS NECESSARY TO CARRY OUT  
21 THE PROVISIONS OF THIS SUBTITLE; AND

22 ~~(V)~~ (IV) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE  
23 OF OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

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

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

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

1 9-1A-03.

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

5 (B) ~~THIS SECTION SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE~~  
6 COMMISSION UNDER THIS SUBTITLE, DOES NOT APPLY TO:

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

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

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

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

16 9-1A-04.

17 (A) THE COMMISSION SHALL:

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

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

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

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

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

31 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF  
32 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS  
33 SUBTITLE;

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

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

2 (II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

3 (III) CONDUCTING INVESTIGATIONS INTO THE OPERATION AND  
4 MAINTENANCE OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT  
5 AS THE COMMISSION CONSIDERS NECESSARY; AND

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

9 (B) THE COMMISSION MAY:

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

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

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

18 (4) PROPOUND WRITTEN INTERROGATORIES.

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

22 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE  
23 FOLLOWING SPECIFIC PROVISIONS:

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

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

32 (3) ESTABLISHING THE PROCEDURES FOR:

33 (I) FINGERPRINTING AN APPLICANT FOR ANY LICENSE REQUIRED  
34 UNDER THIS SUBTITLE; AND

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

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

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

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

12 (7) GOVERNING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE  
13 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE  
14 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE  
15 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT  
16 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

17 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS  
18 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER  
19 THIS SUBTITLE;

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

22 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
23 MANAGEMENT CONTROLS;

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

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

34 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE  
35 AND MAINTAIN FINANCIAL VIABILITY;

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

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

1 (E) (1) THE COMMISSION ~~MAY~~ SHALL BY REGULATION REQUIRE AN  
2 APPLICANT OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE  
3 FAITHFUL PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND  
4 ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.

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

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

11 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY  
12 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS  
13 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

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

17 1. VIDEO LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE  
18 CONDUCTED;

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

22 3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR  
23 MAINTAINED;

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

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

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

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

35 1. BOOKS, RECORDS, LEDGERS, CASH BOXES AND THEIR  
36 CONTENTS;



1 OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER PROVISIONS OF  
2 THIS SUBTITLE, INCLUDES ANY PERCENTAGE OF OWNERSHIP.

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

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

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

13 (5) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST  
14 IN MORE THAN ONE VIDEO LOTTERY FACILITY AT A NONRACETRACK DESTINATION  
15 LOCATION.

16 9-1A-06.

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

18 (1) A VIDEO LOTTERY OPERATOR;

19 (2) A MANUFACTURER;

20 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS  
21 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR  
22 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;  
23 AND

24 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

34 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF  
35 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO  
36 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS  
37 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT

1 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE  
2 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

3 9-1A-07.

4 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN  
5 APPLICATION:

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

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

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

10 (2) THE COMMISSION ~~MAY~~ SHALL BY REGULATION ESTABLISH A FEE  
11 FOR A LICENSE UNDER THIS SUBTITLE.

12 (3) ~~IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE, AN~~  
13 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

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

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

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

23 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING  
24 DUTY TO:

25 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY  
26 THE COMMISSION; AND

27 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR  
28 HEARING CONDUCTED BY THE COMMISSION.

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

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



1 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION  
2 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE  
3 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION  
4 PURPOSES.

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

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

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

16 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
17 OF THE APPLICANT OR LICENSEE;

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

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

23 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
24 APPLICANT OR LICENSEE.

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

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

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

36 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND  
37 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,  
38 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE  
39 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN

1 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR  
2 DISQUALIFIED.

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

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

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

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

18 9-1A-08.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 ~~(2) (4) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT  
26 LEAST 150 ADDITIONAL FULL TIME POSITIONS AT THE LOCATION OF THE VIDEO  
27 LOTTERY FACILITY; AND~~

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

31 9-1A-09.

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

34 (B) A RACETRACK LOCATION SHALL MAINTAIN, AS A CONDITION OF  
35 LICENSURE, A VIDEO LOTTERY OPERATION LICENSEE SHALL MAINTAIN AT LEAST  
36 THE FOLLOWING LIVE RACING DAYS FOR HORSE RACING: AT LEAST THE SAME  
37 NUMBER OF LIVE RACING DAYS AS WERE AUTHORIZED BY THE STATE RACING  
38 COMMISSION FOR THAT LOCATION IN 2004 UNLESS THE LICENSEE IS PREVENTED BY

1 WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE  
 2 LICENSEE.

3           (1)     ~~220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND~~  
 4 ~~PIMLICO RACE COURSE;~~

5           (2)     ~~180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND~~

6           (3)     ~~24 DAYS FOR A LICENSEE AT A HORSE RACECOURSE IN ALLEGANY~~  
 7 ~~COUNTY.~~

8       (C)     (1)     IF ~~A VIDEO LOTTERY OPERATION LICENSES HAVE~~ LICENSEE HAS  
 9 BEEN ISSUED FOR A RACETRACK LOCATION AT THE PIMLICO RACE COURSE AND OR  
 10 LAUREL PARK, THE VIDEO LOTTERY OPERATION LICENSES FOR EACH LICENSE FOR  
 11 THE LOCATION SHALL BE REVOKED IF THE NAME, COMMON LAW AND STATUTORY  
 12 COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE RACING  
 13 EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE WOODLAWN  
 14 VASE ARE TRANSFERRED TO A LOCATION OUTSIDE THE STATE.

15           (2)     AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY OPERATION  
 16 ~~LICENSE, THE LICENSEES~~ A LICENSEE DESCRIBED IN PARAGRAPH (1) OF THIS  
 17 SUBSECTION SHALL BE REQUIRED TO:

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

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

26       (D)     IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A  
 27 RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE SHALL PERMIT THE EVENT  
 28 KNOWN AS THE MARYLAND MILLION SHALL TO BE RUN ANNUALLY AT LAUREL PARK  
 29 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       (E)     (1)     AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE  
 35 SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE  
 36 THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION WHERE THE  
 37 LICENSE IS GRANTED.

38           (2)     EACH PLAN SHALL INCLUDE:

1 (I) GOALS, INDICATORS, AND TIME LINES 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; AND

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 \$4,000,000 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 \$1,150,000~~ \$1,000,000 ANNUALLY.

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

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

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

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

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

1 9-1A-10.

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

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

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

8 (3) WITH THE EXCEPTION OF § 14-301(1)(3) OF THE STATE FINANCE AND  
9 PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE  
10 STATE FINANCE AND PROCUREMENT ARTICLE FOR CERTIFICATION AS A MINORITY  
11 BUSINESS ENTERPRISE.

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

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

21 (I) THOROUGHBRED OR HARNESS RACING LICENSE; AND

22 (II) VIDEO LOTTERY OPERATION LICENSE.

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

29 (I) THOROUGHBRED OR HARNESS RACING LICENSE; AND

30 (II) VIDEO LOTTERY OPERATION LICENSE.

31 (3) IF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE IS AN  
32 ENTITY THAT HOLDS MORE THAN ONE THOROUGHBRED OR HARNESS RACING  
33 LICENSE AND IS ELIGIBLE FOR MORE THAN ONE VIDEO LOTTERY OPERATION  
34 LICENSE, THE APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL OFFER  
35 TO QUALIFIED INVESTORS AT LEAST 10% OF THE EQUITY OWNERSHIP OF THE  
36 ENTITY.



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

3 ~~(1)~~ MAKE THE AVAILABILITY OF THIS INVESTMENT OPPORTUNITY  
4 WIDELY KNOWN TO QUALIFIED INVESTORS;

5 ~~(2)~~ SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

6 ~~(3)~~ ENSURE, CONSISTENT WITH THE EXERCISE OF SOUND BUSINESS  
7 JUDGMENT, THAT QUALIFIED INVESTORS WHO RESIDE IN MARYLAND ARE  
8 PROVIDED WITH A PREFERENCE FOR SELECTION WITH A GOAL OF AT LEAST 50% OF  
9 QUALIFIED INVESTORS.

10 ~~(E)~~ ~~(1)~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO  
11 REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION  
12 LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR  
13 HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE  
14 APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B) OF  
15 THIS SECTION.

16 ~~(2)~~ ~~(1)~~ NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AN  
17 APPLICANT MAY NOT BE REQUIRED TO SELL AN EQUITY OWNERSHIP INTEREST IN  
18 THE ENTITIES DESCRIBED IN SUBSECTION (B) OF THIS SECTION FOR A PRICE THAT IS  
19 LESS THAN:

20 ~~1.~~ FAIR MARKET VALUE; OR

21 ~~2.~~ AS ADJUSTED ON A PRO RATA BASIS, THE VALUE PAID BY  
22 THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS EVIDENCED BY  
23 THE AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE MADE BY THE PRIMARY  
24 EQUITY HOLDER.

25 ~~(H)~~ AT THE REQUEST OF A QUALIFIED INVESTOR, THE  
26 COMMISSION SHALL REVIEW AND APPROVE THE PRICE DETERMINED BY THE  
27 APPLICANT IN SUBPARAGRAPH (1)2 OF THIS PARAGRAPH.

28 ~~(F)~~ ~~(1)~~ THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY  
29 COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND BACKGROUND  
30 INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE EQUITY OWNERS OF AN  
31 APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

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

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

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

6 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,  
7 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT  
8 ENTERED INTO BY AN APPLICANT OR LICENSEE, MAY NOT NEGATE THE  
9 REQUIREMENTS OF THIS SUBSECTION.

10 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
11 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING  
12 QUALIFIED EMPLOYEES FROM THE COMMUNITIES ~~IN CLOSE PROXIMITY TO~~ WITHIN  
13 10 MILES OF THE VIDEO LOTTERY FACILITY.

14 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY  
15 BELIEVES THAT ~~THEY HAVE~~ THE APPLICANT HAS BEEN DISCRIMINATED AGAINST IN  
16 THE EMPLOYMENT PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT  
17 DECISION TO THE LOCAL HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE  
18 VIDEO LOTTERY FACILITY IS LOCATED.

19 (6) (I) NOTWITHSTANDING ANY COLLECTIVE BARGAINING  
20 AGREEMENT OR AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE  
21 COVERAGE FOR ITS EMPLOYEES.

22 (II) IF THE LICENSEE IS A RACETRACK LOCATION, THE LICENSEE  
23 SHALL PROVIDE HEALTH INSURANCE COVERAGE TO ALL EMPLOYEES OF THE  
24 RACETRACK, INCLUDING THE EMPLOYEES ON THE BACKSTRETCH OF THE  
25 RACETRACK.

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

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

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

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

37 ~~(H)~~ (C) ON OR AFTER JULY 1, 2008, THE PROVISIONS OF THIS SECTION AND  
38 ANY REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND  
39 MAY NOT BE ENFORCED.

1 9-1A-11.

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

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

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

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

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

18 (D) (A) ~~ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A~~  
19 ~~LOCATION AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO~~  
20 ~~THE STATE.~~

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

25 (C) (1) UPON A DETERMINATION BY THE COMMISSION THAT EXTENUATING  
26 CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A LICENSEE AND  
27 HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE REQUIREMENTS OF  
28 SUBSECTION (B) OF THIS SECTION, THE COMMISSION MAY ALLOW THE LICENSEE AN  
29 EXTENSION OF 6 MONTHS TO COMPLY WITH THE REQUIREMENTS.

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

32 (D) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH THE  
33 REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION, THE LICENSE  
34 ISSUED TO THE LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT  
35 TO THE STATE.

36 9-1A-12.

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

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

7 9-1A-13.

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

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

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

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

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

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

27 9-1A-14.

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

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

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

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

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

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

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

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

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

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

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

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

32 9-1A-15.

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

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

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

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

7 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED  
8 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE  
9 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER  
10 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.  
11 9-1A-16.

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

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

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

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

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

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

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

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

3 9-1A-17.

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

7 (1) PROPER APPLICATION FOR RENEWAL; AND

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

10 9-1A-18.

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

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

23 (1) PRECLUDE:

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

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

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

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

33 9-1A-19.

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

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

1 (2) PLEDGED AS COLLATERAL.

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

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

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

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

13 9-1A-20.

14 (A) THE DEPARTMENT OF STATE POLICE SHALL:

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

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

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

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

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

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

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

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



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

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

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

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

15 9-1A-21.

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

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

19 (2) UNDER THE CONTROL OF THE COMMISSION.

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

26 ~~(2) (+) PROVIDED THE VIDEO LOTTERY TERMINALS MEET~~  
27 ~~COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY~~  
28 ~~SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF~~  
29 ~~VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE~~  
30 ~~FACILITY.~~

31 ~~(H) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION~~  
32 ~~LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE~~  
33 ~~VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.~~

34 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE  
35 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS  
36 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
37 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
38 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
39 TERMINALS.

1 9-1A-22.

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

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

7 (C) ~~IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE~~  
8 ~~RACECOURSE IN ALLEGANY COUNTY, THE COMMISSION MAY NOT AUTHORIZE MORE~~  
9 ~~THAN 1,000 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY~~  
10 ~~OPERATION LICENSE ISSUED FOR A LOCATION AT A HORSE RACECOURSE IN~~  
11 ~~ALLEGANY COUNTY.~~

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

15 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL AWARD  
16 THE NUMBER OF VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION  
17 LICENSEES AS PROVIDED IN THIS SECTION AND § 9-1A-34 OF THIS SUBTITLE.

18 (C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO LOTTERY  
19 TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION LOCATIONS AND  
20 EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS  
21 AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN  
22 ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY  
23 COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO  
24 VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE  
25 HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

26 (2) IN DETERMINING THE HIGHEST POTENTIAL REVENUE TO BE  
27 ACHIEVED BY ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH POTENTIAL  
28 LOCATION, THE STATE LOTTERY COMMISSION SHALL CONSIDER THE MARKET  
29 PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS AT EACH LOCATION.

30 (D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE  
31 LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A  
32 MANNER THAT RESULTS IN MORE THAN 7,500 VIDEO LOTTERY TERMINALS BEING  
33 LOCATED IN ANY COUNTY IN THE STATE.

34 (E) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE  
35 LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A  
36 MANNER THAT RESULTS IN MORE THAN:

37 (1) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR  
38 OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

1           (2)     6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR  
2 OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD BY  
3 THE SAME INDIVIDUAL OR BUSINESS ENTITY.

4 9-1A-23.

5       (A)     (1)     EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS  
6 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL  
7 PAYOUT PERCENTAGE OF ~~87%~~ 90%.

8           (2)     THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE  
9 ANNUAL PAYOUT PERCENTAGE OF MORE THAN ~~87%~~ 90% BUT NOT MORE THAN 95%  
10 FOR VIDEO LOTTERY TERMINALS.

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

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

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

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

20 9-1A-24.

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

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

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

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

1 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT  
2 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE  
3 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN  
4 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY  
5 TERMINALS ARE LOCATED.

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

10 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE  
11 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS  
12 RELATING TO INDIVIDUALS:

13 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS  
14 ADOPTED BY THE COMMISSION;

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

19 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE  
20 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE  
21 PERSON.

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

26 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO  
27 JUDICIAL REVIEW.

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

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

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

37 (II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A  
38 SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO

1 REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED  
2 PERIOD OF TIME.

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

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

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

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

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

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

18 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS  
19 WILL ACCEPT;

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

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

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

29 9-1A-25.

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

32 (1) THIS SUBTITLE;

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

34 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

7 (I) THE SERIOUSNESS OF THE VIOLATION;

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

9 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON  
10 WHO COMMITTED THE VIOLATION.

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

16 9-1A-26.

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

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

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

26 9-1A-27.

27 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
28 TERMINALS:

29 (1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5%  
30 TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS  
31 SUBTITLE; AND

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

1 ~~(B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A HORSE RACE~~  
 2 ~~TRACK, THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY~~  
 3 ~~TERMINALS:~~

4 ~~(1) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §~~  
 5 ~~9-1A-29 OF THIS SUBTITLE;~~

6 ~~(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE~~  
 7 ~~COMMISSION, 39% TO VIDEO LOTTERY OPERATION LICENSEES TO BE DISTRIBUTED~~  
 8 ~~IN THE FOLLOWING MANNER:~~

9 ~~(I) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~  
 10 ~~PIMLICO RACE COURSE, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION~~  
 11 ~~LICENSE AT THE PIMLICO RACE COURSE;~~

12 ~~(II) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT~~  
 13 ~~LAUREL PARK, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT~~  
 14 ~~LAUREL PARK;~~

15 ~~(III) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~  
 16 ~~ROSECROFT RACEWAY, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION~~  
 17 ~~LICENSE AT THE ROSECROFT RACEWAY; AND~~

18 ~~(IV) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~  
 19 ~~RACECOURSE IN ALLEGANY COUNTY, 39% TO THE HOLDER OF THE VIDEO LOTTERY~~  
 20 ~~OPERATION LICENSE AT THE RACECOURSE IN ALLEGANY COUNTY;~~

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

25 ~~1. 1.78% TO BALTIMORE CITY;~~

26 ~~2. 1.78% TO PRINCE GEORGE'S COUNTY;~~

27 ~~3. 0.7% TO ANNE ARUNDEL COUNTY;~~

28 ~~4. 0.33% TO HOWARD COUNTY; AND~~

29 ~~5. 0.16% TO THE CITY OF LAUREL; AND~~

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

33 ~~(4) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,~~  
 34 ~~ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM~~  
 35 ~~THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND~~  
 36 ~~LAUREL PARK, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §~~

~~1 9-1A-27 OF THIS SUBTITLE FOR THOROUGHBRED PURSES AND THE  
2 MARYLAND-BRED RACE FUND; AND~~

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

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

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

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

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

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

~~40 (I) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
41 COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID TO THE VIDEO  
42 LOTTERY FACILITY;~~



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

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

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

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

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

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

23     (B)     THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
24 TERMINALS AT EACH VIDEO LOTTERY FACILITY:

25           (1)     ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
26 COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID TO THE VIDEO  
27 LOTTERY OPERATION LICENSEE;

28           (2)     ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
29 COMMISSION, 5% IN A LOCAL DEVELOPMENT GRANT TO THE COUNTY IN WHICH A  
30 VIDEO LOTTERY FACILITY IS LOCATED, SUBJECT TO A REQUIREMENT THAT IF A  
31 VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED TO A RACETRACK  
32 LOCATION AT LAUREL PARK, THE LOCAL DEVELOPMENT GRANT SHALL BE  
33 DISTRIBUTED IN THE FOLLOWING MANNER:

34           (I)     73% TO ANNE ARUNDEL COUNTY;

35           (II)    17% TO HOWARD COUNTY; AND

36           (III)   10% TO THE CITY OF LAUREL;

1           (3)    (I)    IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,  
2 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS  
3 SUBTITLE; AND

4                    (II)   IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL  
5 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED  
6 TRANSMITTAL PREPARED BY THE COMMISSION, 5.8% TO THE PURSE DEDICATION  
7 ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE; AND

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

10   (C)    IF THE COSTS OF THE STATE LOTTERY AGENCY UNDER THIS SECTION ARE  
11 LESS THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, OR  
12 LESS THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION,  
13 AND EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE  
14 LOTTERY AGENCY SHALL BE DIVIDED EQUALLY AND PAID TO:

15           (1)    THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29 OF  
16 THIS SUBTITLE; AND

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

19 9-1A-28.

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

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

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

26           (3)    THE COMPTROLLER SHALL:

27                   (I)    ACCOUNT FOR THE FUND; AND

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

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

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

1 ~~(C)~~ SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, THE  
 2 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE  
 3 COURSE, LAUREL PARK, AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE  
 4 ATTRIBUTABLE TO THE THOROUGHBRED INDUSTRY UNDER § 9-1A-27 OF THIS  
 5 SUBTITLE TO:

6 ~~(1)~~ THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE, LAUREL  
 7 PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN  
 8 TIMONIUM; AND

9 ~~(2)~~ THE MARYLAND-BRED RACE FUND.

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

14 ~~(1)~~ STANDARD BRED PURSES AT THE ROSECROFT RACEWAY, THE  
 15 RACECOURSE IN ALLEGANY COUNTY, AND THE OCEAN DOWNS RACE COURSE; AND

16 ~~(2)~~ THE STANDARD BRED RACE FUND.

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

23 ~~(E)~~ (D) THE AMOUNT OF FUNDS ALLOCATED TO THOROUGHBRED PURSES  
 24 AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

25 (1) 89% TO THOROUGHBRED PURSES AT THE PIMLICO RACECOURSE,  
 26 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN  
 27 TIMONIUM; AND

28 (2) 11% TO THE MARYLAND-BRED RACE FUND.

29 ~~(F)~~ (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES  
 30 AND THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

31 (1) 89% TO STANDARD BRED PURSES AT THE ROSECROFT RACEWAY,  
 32 OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY; AND

33 (2) 11% TO THE STANDARD BRED RACE FUND.

34 ~~(G)~~ (F) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO  
 35 APPLY TO THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS  
 36 AT THAT RACECOURSE.

1     ~~(H)~~     (G)     (1)     AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000  
2 FROM THE FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO THE  
3 MARYLAND HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF  
4 THE BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE FUNDS UNDER  
5 SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO ~~PROVIDING IMPROVED HEALTH~~  
6 ~~BENEFITS FOR JOCKEYS AND HARNESS RACING DRIVERS IN THE STATE~~ THE  
7 MARYLAND STANDARDBRED HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED  
8 UNDER § 11-909 OF THE BUSINESS REGULATION ARTICLE.

9             (2)     THE AMOUNTS ALLOCATED UNDER PARAGRAPH (1) OF THIS  
10 SUBSECTION SHALL BE USED TO PROVIDE HEALTH BENEFITS FOR JOCKEYS AND  
11 HARNESS RACING DRIVERS IN THE STATE.

12             (3)     WITH THE ADVICE OF THE STATE RACING COMMISSION, FUNDS FOR  
13 HEALTH BENEFITS FOR JOCKEYS AND HARNESS RACING DRIVERS SHALL BE  
14 DISTRIBUTED BY THE HORSEMEN'S ASSISTANCE FUNDS BASED ON:

15                     (I)     NEED;

16                     (II)    DOCUMENTED MARYLAND RESIDENCY; AND

17                     (III)   NUMBER OF RACES RIDDEN OR DRIVEN PER YEAR ON  
18 MARYLAND TRACKS.

19 9-1A-29.

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

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

25             (2)     MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND  
26 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO  
27 THE FUND.

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

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

36             (2)     PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND  
37 PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH  
38 5-303 OF THE EDUCATION ARTICLE.

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

~~6 (2) ALL OTHER EXPENDITURES FROM THE EDUCATION TRUST FUND  
7 SHALL BE MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.~~

~~8 (D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR 2007  
9 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2014, \$150,000,000  
10 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF PUBLIC SCHOOL  
11 CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A PAY-AS-YOU-GO BASIS.~~

~~12 (E) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE  
13 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.~~

14 9-1A-30.

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

19 (1) INFRASTRUCTURE IMPROVEMENTS;

20 (2) FACILITIES;

21 (3) PUBLIC SAFETY;

22 (4) SANITATION;

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

24 AND

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

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

29 (2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE  
30 FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN  
31 WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH  
32 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES  
33 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY  
34 COUNCILS, OR COUNTY COMMISSIONERS:

35 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE  
36 FACILITY IS LOCATED;

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

3 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION  
4 LICENSEE;

5 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE  
6 PROXIMITY TO THE FACILITY; AND

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

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

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

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

20 (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY  
21 ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND  
22 PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

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

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

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

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

35 (E) (1) IN THIS SUBSECTION, "ELIGIBLE CERTIFIED COMMUNITY  
36 DEVELOPMENT FINANCIAL INSTITUTION" MEANS A FINANCIAL INSTITUTION  
37 CERTIFIED BY THE UNITED STATES DEPARTMENT OF THE TREASURY AS A  
38 CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT HAS:

1                   (I)     INVESTED IN SMALL, MINORITY, AND WOMEN-OWNED  
2 BUSINESSES IN THE STATE FOR AT LEAST A 5-YEAR PERIOD; AND

3                   (II)    AT LEAST 75% OF ITS ENTIRE INVESTMENT PORTFOLIO IN  
4 EQUITY AND NEAR EQUITY TYPES OF INVESTMENTS MADE FOR THE PURPOSE OF  
5 CREATING AND RETAINING JOBS IN ECONOMICALLY DISTRESSED COMMUNITIES IN  
6 THE STATE.

7                   (2)     SUBJECT TO THE PROVISIONS OF PARAGRAPH (3) OF THIS  
8 SUBSECTION, A COUNTY THAT RECEIVES A LOCAL DEVELOPMENT GRANT UNDER  
9 THIS SUBTITLE SHALL ALLOCATE AT LEAST 20% OF THE LOCAL DEVELOPMENT  
10 GRANT FUNDS EACH YEAR TO THE COUNTY'S ECONOMIC DEVELOPMENT OFFICE FOR  
11 INVESTMENTS IN ELIGIBLE CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL  
12 INSTITUTIONS.

13                  (3)     THE FUNDS PROVIDED TO ELIGIBLE CERTIFIED COMMUNITY  
14 DEVELOPMENT FINANCIAL INSTITUTIONS UNDER THIS SUBSECTION SHALL BE USED  
15 TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND  
16 WOMEN-OWNED BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON  
17 ECONOMICALLY DISTRESSED COMMUNITIES IN THE COUNTY AND COMMUNITIES  
18 SURROUNDING THE VIDEO LOTTERY FACILITY.

19 9-1A-31.

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

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

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

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

25               (1)     DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,  
26 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §  
27 9-1A-30 OF THIS SUBTITLE; AND

28               (II)    APPROVED BY THE MARYLAND DEPARTMENT OF  
29 TRANSPORTATION.

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

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

1 9-1A-32.

2 (A) THE COMMISSION SHALL:

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

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

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

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

14 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED  
15 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL  
16 ACCRUE TO THE FUND.

17 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE  
18 MADE ONLY:

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

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

23 2. DEVELOP AND IMPLEMENT A PROBLEM GAMBLING  
24 PREVENTION ~~PROGRAM~~ PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED  
25 UNDER TITLE 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

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

30 9-1A-33.

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

33 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY  
34 OPERATION UNDER THIS SUBTITLE; AND



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

4 9-1A-34.

5 FOR A PERIOD OF 1 YEAR AFTER THE INDIVIDUAL'S SERVICE ON THE STATE  
 6 LOTTERY COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
 7 ENDS, A LICENSEE MAY NOT EMPLOY, OR ENTER INTO A FINANCIAL RELATIONSHIP  
 8 WITH, AN INDIVIDUAL WHO HAS BEEN A MEMBER OF THE STATE LOTTERY  
 9 COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

10 **Article - State Finance and Procurement**

11 11-203.

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

14 (1) procurement by:

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

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

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

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");

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

- 1 (vi) Title 16 of this article ("Debarment of Contractors"); and  
 2 (vii) Title 17 of this article ("Special Provisions - State and Local  
 3 Subdivisions").

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

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

10 **Article - State Government**

11 ~~9-1A-34. 9-1A-35.~~

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

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

15 (II) APPOINTMENTS TO THE VIDEO LOTTERY FACILITY LOCATION  
 16 COMMISSION SHALL BE SUBJECT TO THE APPROVAL OF THE LEGISLATIVE POLICY  
 17 COMMITTEE.

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

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

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

24 ~~(3) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION~~  
 25 ~~COMMISSION SERVE AT THE PLEASURE OF THE INDIVIDUAL WHO APPOINTED THE~~  
 26 ~~MEMBER.~~

27 ~~(4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION~~  
 28 ~~COMMISSION SHALL CHOOSE A CHAIRMAN FROM AMONG THE 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 AT THE TIME OF~~  
 33 ~~APPOINTMENT;~~

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

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

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

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

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

17    (D)     A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION;

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

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

22    (E)     THE STATE LOTTERY COMMISSION SHALL PROVIDE STAFF TO THE VIDEO  
23 LOTTERY FACILITY LOCATION COMMISSION.

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

26          (1)     FOR NONRACETRACK DESTINATION LOCATIONS TO QUALIFIED  
27 BIDDERS; AND

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

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

34                   (I)     PRINCE GEORGE'S COUNTY;

35                   (II)    HOWARD COUNTY;

36                   (III)   BALTIMORE CITY;

1                   (IV)    BALTIMORE COUNTY;

2                   (V)     HARFORD COUNTY; OR

3                   (VI)    CECIL COUNTY.

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

7                   (H)     IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO  
8 LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE FOLLOWING  
9 FACTORS:

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

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

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

15                  (4)     THE NUMBER OF JOBS TO BE CREATED DUE TO THE VIDEO LOTTERY  
16 FACILITY;

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

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

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

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

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

25                  (10)    ANY OTHER FACTOR DEEMED RELEVANT IN MAKING A  
26 DETERMINATION.

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

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

33                  (2)     ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS  
34 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL DETERMINE WHETHER A

~~1 BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE  
2 UNDER THIS SUBTITLE.~~

~~3 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY  
4 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
5 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO  
6 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.~~

~~7 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AUTHORIZE  
8 A TOTAL OF 4,000 VIDEO LOTTERY TERMINALS TO BE DIVIDED BETWEEN THE TWO  
9 NONRACETRACK DESTINATION FACILITIES AS PROVIDED BY THE VIDEO LOTTERY  
10 FACILITY LOCATION COMMISSION.~~

~~11 (L) AFTER AWARD OF A VIDEO LOTTERY OPERATION LICENSE UNDER THIS  
12 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL BE RESPONSIBLE FOR ALL  
13 MATTERS RELATING TO REGULATION OF THE LICENSEE.~~

~~14 (3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS  
15 SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY  
16 OF THE POPULATION OF THE STATE.~~

~~17 (4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION  
18 COMMISSION SHALL CHOOSE A CHAIRMAN FROM AMONG THE MEMBERS.~~

~~19 (C) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:~~

~~20 (1) SHALL BE AT LEAST 21 YEARS OF AGE;~~

~~21 (2) (1) SHALL BE A CITIZEN OF THE UNITED STATES;~~

~~22 (3) (2) SHALL BE A RESIDENT OF THE STATE;~~

~~23 (4) (3) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL  
24 MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:~~

~~25 (I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN  
26 CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;~~

~~27 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR  
28 ECONOMICS; OR~~

~~29 (III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS  
30 A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR  
31 ECONOMICS;~~

~~32 (5) (4) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION  
33 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING  
34 OR MORAL TURPITUDE;~~

~~35 (6) (5) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO  
36 HOLDS A LICENSE UNDER THIS SUBTITLE;~~

1 ~~(7)~~ (6) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL  
2 INTEREST, OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS,  
3 BONDS, OR OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES,  
4 INCLUDING HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

5 ~~(8)~~ (7) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY,  
6 THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE  
7 RACING OR LOTTERY; AND

8 ~~(9)~~ (8) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT  
9 FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY  
10 GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING  
11 SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING  
12 ACTIVITY.

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

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

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

18 (E) (1) THE STATE LOTTERY COMMISSION, THE DEPARTMENT OF BUDGET  
19 AND MANAGEMENT, AND THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL  
20 PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

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

27 (F) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT  
28 AWARD MORE THAN A TOTAL OF SEVEN VIDEO LOTTERY OPERATION LICENSES.

29 (2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL  
30 AWARD LICENSES TO QUALIFIED BIDDERS THROUGH A COMPETITIVE PROCESS  
31 CONSISTENT WITH THE PROCESS ESTABLISHED FOR COMPETITIVE SEALED BIDS  
32 UNDER TITLE 13 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

33 (3) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD  
34 UP TO FOUR VIDEO LOTTERY OPERATION LICENSES TO RACETRACK LOCATIONS.

35 (4) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY  
36 AWARD UP TO THREE VIDEO LOTTERY OPERATION LICENSES TO NONRACETRACK  
37 DESTINATION LOCATIONS.

1                    (II) A NONRACETRACK DESTINATION LOCATION UNDER THIS  
2 SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE STATE  
3 EXISTING ON JULY 1, 2004.

4                    (5) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT  
5 AWARD MORE THAN:

6                    (I) TWO VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY;  
7 AND

8                    (II) A TOTAL OF 7,500 VIDEO LOTTERY TERMINALS FOR OPERATION  
9 UNDER VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY.

10                   (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL SET AN  
11 APPLICATION FEE TO BE SUBMITTED BY BIDDERS FOR A VIDEO LOTTERY OPERATION  
12 LICENSE THAT IS SUFFICIENT TO COVER THE COSTS ASSOCIATED WITH  
13 CONSIDERATION OF THE BID AND QUALIFICATION OF THE BIDDER BY THE VIDEO  
14 LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY COMMISSION.

15                   (H) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE  
16 UNDER THIS SECTION:

17                    (I) SHALL BE SUBMITTED BY OCTOBER 1, 2005;

18                    (II) SHALL INCLUDE THE INFORMATION NECESSARY FOR  
19 APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE AS REQUIRED BY THIS  
20 SUBTITLE;

21                    (III) SHALL INCLUDE AN APPLICATION FEE ESTABLISHED BY THE  
22 VIDEO LOTTERY FACILITY LOCATION COMMISSION FOR THE PURPOSE OF COVERING  
23 EXPENSES THAT WILL BE INCURRED BY THE VIDEO LOTTERY FACILITY LOCATION  
24 COMMISSION IN CONSIDERING A BID;

25                    (IV) SHALL INCLUDE PROOF THAT FUNDS ARE AVAILABLE TO PAY  
26 THE INITIAL LICENSE FEE ESTABLISHED UNDER SUBSECTION (L) OF THIS SECTION  
27 IF A VIDEO LOTTERY FACILITY LICENSE IS AWARDED; AND

28                    (V) EXCEPT FOR A RACETRACK LOCATION, MAY NOT OFFER A  
29 PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 30% OF THE GROSS  
30 PROCEEDS FROM VIDEO LOTTERY TERMINALS.

31                    (2) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE AT A  
32 RACETRACK LOCATION MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT  
33 THAT EXCEEDS 36% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS.

34                    (3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE  
35 UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$15,000,000 IN DIRECT  
36 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH  
37 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE

1 PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS  
2 CONTAINED IN THE BID.

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

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

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

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

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

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

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

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

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

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

26 (3) 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 (4) 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;



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

4                    (III)   THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE  
5 EXPENDITURES AT THE PROPOSED FACILITY; AND

6                    (IV)   THE NEGATIVE IMPACT, IF ANY, OF THE LOCATION ON A  
7 RESIDENTIAL COMMUNITY.

8        (J)    (1)    A PERSON THAT IS AWARDED A VIDEO LOTTERY OPERATION  
9 LICENSE UNDER THIS SECTION SHALL PAY AN INITIAL LICENSE FEE PRIOR TO THE  
10 ISSUANCE OF THE LICENSE THAT IS EQUAL TO \$3,000,000 PER 500 VIDEO LOTTERY  
11 TERMINALS AWARDED TO THE LICENSEE THAT SHALL BE PRORATED BASED ON THE  
12 EXACT NUMBER OF VIDEO LOTTERY TERMINALS AWARDED BY THE VIDEO LOTTERY  
13 FACILITY LOCATION COMMISSION.

14                (2)    ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE  
15 SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS  
16 SUBTITLE.

17        (K)    THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD  
18 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON THAT IS NOT  
19 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

20        (L)    (1)    THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL  
21 REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL RELEVANT  
22 INFORMATION CONCERNING A PERSON THAT MAKES A BID UNDER THIS SECTION.

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

27                (3)    ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY  
28 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
29 OF THE DETERMINATION AS TO WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO  
30 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

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

34        (N)    (1)    AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY OPERATION  
35 LICENSE UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE  
36 AND PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT APPEALS  
37 OF THE AWARDED OF THE VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO  
38 LOTTERY FACILITY LOCATION COMMISSION.

1 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN APPEAL OF  
2 A DECISION OF THE STATE BOARD OF CONTRACT APPEALS UNDER THIS SUBSECTION  
3 SHALL BE MADE DIRECTLY TO THE COURT OF APPEALS OF MARYLAND.

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

9 (2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS  
10 SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION  
11 SHALL BE FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS  
12 AFTER THE ISSUANCE OF THE VIDEO LOTTERY OPERATION LICENSE.

13 (P) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE  
14 VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL SEVEN VIDEO  
15 LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

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

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

24 **Article - State Finance and Procurement**

25 11-203.

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

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

31 **Article - State Finance and Procurement**

32 11-203.

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

36 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this  
37 Act or the application thereof to any person or circumstance is held invalid for any

1 reason in a court of competent jurisdiction, the invalidity does not affect other  
2 provisions or any other application of this Act which can be given effect without the  
3 invalid provision or application, and for this purpose the provisions of this Act are  
4 declared severable.

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

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

31 SECTION 8. AND BE IT FURTHER ENACTED, That, if a license is issued for  
32 a location at the Pimlico Race Course, the Department of Transportation shall study  
33 the impact of the increased traffic resulting from any proposed operation of video  
34 lottery terminals at Pimlico Race Course, including the need for an interchange on  
35 Jones Falls Expressway between Northern Parkway and Interstate 695. The  
36 Department of Transportation shall provide a final report on the study required  
37 under this section to the General Assembly ~~on or before December 1, 2005~~, in  
38 accordance with § 2-1246 of the State Government Article, within 6 months after the  
39 issuance of the license for a location at the Pimlico Race Course. The cost of the study  
40 undertaken by the Department of Transportation under this section shall be paid by  
41 the holder of the license issued for a location at the Pimlico Race Course.  
42 Notwithstanding § 9-1A-31 of the State Government Article, as enacted by Section 1  
43 of this Act, the costs of any improvements to the streets and roads in the  
44 neighborhoods surrounding Pimlico Race Course and for the planning, design, and  
45 construction of an interchange on the Jones Falls Expressway between Northern  
46 Parkway and Interstate 695 that are recommended in the study or are needed to

1 facilitate access to Pimlico Race Course and mitigate the increased traffic resulting  
2 from any proposed operation of video lottery terminals at Pimlico Race Course are the  
3 sole responsibility of the holder of the license issued for a location at the Pimlico Race  
4 Course, and may not be paid from any State money, including money from the  
5 Transportation Trust Fund or highway user revenues allocated to the counties.

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

- 10 (1) one member in 2007;
- 11 (2) one member in 2008; and
- 12 (3) two members in 2009.

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

21 SECTION 11. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
22 shall take effect on the taking effect of the termination provision specified in Section  
23 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination  
24 provision takes effect, Section 3 of this Act shall be abrogated and of no further force  
25 and effect. This Act may not be interpreted to have any effect on that termination  
26 provision.

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