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By: **The Speaker (By Request - Administration) and Delegates Aumann, Boteler, Cluster, Donoghue, Edwards, Elliott, Elmore, Frank, Glassman, Hogan, Impallaria, Jennings, Kelly, Kirk, Kohl, Krebs, Mayer, McComas, McDonough, McKee, Miller, O'Donnell, Parker, Parrott, Shank, Sossi, Stull, Weir, and Weldon**

Introduced and read first time: January 25, 2006  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Public Education Bridge to Excellence and Public School Construction Act**

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 requiring the Department of Health and Mental Hygiene to establish certain  
7 regional centers and to conduct a certain prevalence study; requiring the  
8 Secretary of Health and Mental Hygiene to make certain grants from certain  
9 funds; altering the membership of the State Lottery Commission; specifying  
10 certain requirements for members of the State Lottery Commission; requiring  
11 the Governor to appoint a member of the State Lottery Commission as a liaison  
12 to the State Racing Commission; providing that members of the State Lottery  
13 Commission may be compensated as provided in the State budget; authorizing  
14 the operation of video lottery terminals connected to a certain central computer  
15 that allows the State Lottery Commission to monitor a video lottery terminal  
16 and that has certain capabilities; prohibiting access to the central computer by  
17 certain licensees with a certain exception; providing that only a person with a  
18 certain video lottery operation license may offer a video lottery terminal for  
19 public use in the State; providing that this Act is statewide and exclusive in  
20 effect and that certain laws do not apply to video lottery terminals authorized  
21 under this Act; requiring the State Lottery Commission to conduct certain  
22 investigations and hearings; requiring the State Lottery Commission to adopt  
23 certain regulations; requiring the State Lottery Commission to require a certain  
24 bond and collect certain fees, civil penalties, and taxes; authorizing the State  
25 Lottery Commission to inspect and seize certain equipment, financial  
26 information, and records without notice or warrant; requiring certain video  
27 lottery terminal manufacturers, video lottery operators, video lottery employees,  
28 and other individuals required by the State Lottery Commission to be licensed;  
29 providing for the application and licensing process; providing for review of a  
30 denial of an application for a certain license by the State Board of Contract  
31 Appeals; establishing the misdemeanor of giving false information in an

1 application for a license under this Act or in any supplemental information  
2 required by the State Lottery Commission; establishing certain penalties;  
3 establishing certain eligibility criteria and disqualifying criteria for a video  
4 lottery operation license; requiring a person that contracts with a video lottery  
5 operation licensee to meet certain requirements under certain circumstances;  
6 requiring certain video lottery operation licensees to maintain certain numbers  
7 of live racing days; providing that the license of certain video lottery operation  
8 licensees may be revoked if a certain horse racing event or certain trade names  
9 and other items related to the event are transferred out of the State; requiring a  
10 certain licensee to permit a certain annual race to be conducted with certain  
11 exceptions; requiring certain video lottery operation licensees to submit to the  
12 State Lottery Commission certain plans to improve the quality and marketing of  
13 horse racing and to spend a certain amount on capital renovation of horse racing  
14 facilities each year; requiring the State Racing Commission to monitor the  
15 compliance of certain video lottery operation licensees and certain other  
16 licensees with certain plans; requiring certain applicants and video lottery  
17 operation licensees to comply with certain provisions of law relating to minority  
18 business participation; specifying that certain collective bargaining agreements  
19 do not negate certain provisions of this Act; authorizing certain applicants for  
20 employment to appeal to certain local human relations boards under certain  
21 circumstances; providing for the monitoring of certain provisions of this Act by  
22 the Governor's Office of Minority Affairs; requiring that a video lottery operation  
23 license not issued for locations specified under this Act reverts to the State;  
24 requiring a licensee to commence operation of video lottery terminals within a  
25 certain time period and authorizing the State Lottery Commission to grant  
26 extensions under certain circumstances; providing for the term of a video lottery  
27 operation license and for reapplication for the license at the end of the term;  
28 providing for certain eligibility criteria and disqualifying criteria for certain  
29 licenses; providing for certain waivers of certain licensing requirements under  
30 certain circumstances; providing for certain license terms and renewals; stating  
31 the intent of the General Assembly relating to video lottery operation licenses;  
32 prohibiting a video lottery operation license from being transferred or pledged  
33 as collateral; prohibiting certain video lottery operation licensees from selling or  
34 otherwise transferring more than a certain percentage of the legal or beneficial  
35 interest unless certain conditions are met; requiring that the transfer of a  
36 certain interest in a person that holds a video lottery operation license be  
37 approved by the State Lottery Commission; requiring the Department of State  
38 Police to conduct certain background investigations in a certain manner;  
39 requiring the Department of Public Safety and Correctional Services to conduct  
40 criminal history records checks under certain circumstances; requiring the State  
41 Lottery Commission to buy or lease the video lottery terminals, associated  
42 equipment, and central computer authorized under this Act; prohibiting more  
43 than a certain number of video lottery terminals from being allocated in one  
44 county or to licenses held by the same entity; prohibiting an individual or  
45 business entity from holding an interest in more than a certain number of video  
46 lottery operation licenses under certain circumstances; providing the minimum  
47 payout percentage for video lottery terminals and authorizing the State Lottery  
48 Commission to adopt certain video lottery terminal payout percentages;

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

1 Commission from issuing more than a certain number of licenses in one county  
2 or more than a certain number of video lottery terminals in one county;  
3 requiring the Video Lottery Facility Location Commission to consider certain  
4 factors; requiring certain initial video lottery operation license fees to be placed  
5 in the Education Trust Fund; requiring the State Lottery Commission to make  
6 certain determinations and be responsible for certain matters relating to  
7 racetrack locations and nonracetrack destination locations; providing for review  
8 of a denial of an application for a certain license by the State Board of Contract  
9 Appeals; providing for certain appeals to be made directly to the Court of  
10 Appeals of Maryland; allowing the operation of video lottery terminals in a  
11 temporary facility under certain circumstances; providing for the construction of  
12 certain provisions of this Act; making the provisions of this Act severable;  
13 requiring a certain certification entity to conduct certain studies and make  
14 certain reports; requiring the Department of Transportation to conduct a certain  
15 study and make a certain report by a certain date; providing for the payment of  
16 the cost of the study conducted by the Department of Transportation; providing  
17 that the costs of certain improvements and the planning, design, and  
18 construction of a certain interchange are the sole responsibility of the holder of  
19 a certain license and may not be paid from State funds; providing for the  
20 staggering of the terms of certain new members of the State Lottery  
21 Commission; making certain stylistic changes; providing for the termination of  
22 certain provisions of this Act; providing that certain provisions of this Act are  
23 contingent on the termination of another Act; defining certain terms; and  
24 generally relating to the operation of video lottery terminals at certain locations  
25 in the State.

26 BY adding to  
27 Article - Business Regulation  
28 Section 11-202(g)  
29 Annotated Code of Maryland  
30 (2004 Replacement Volume and 2005 Supplement)

31 BY repealing and reenacting, without amendments,  
32 Article - Health - General  
33 Section 19-801 and 19-802  
34 Annotated Code of Maryland  
35 (2005 Replacement Volume and 2005 Supplement)

36 BY repealing and reenacting, with amendments,  
37 Article - Health - General  
38 Section 19-803 and 19-804  
39 Annotated Code of Maryland  
40 (2005 Replacement Volume and 2005 Supplement)

41 BY repealing and reenacting, with amendments,  
42 Article - State Government

1 Section 9-105 and 9-108(d)  
2 Annotated Code of Maryland  
3 (2004 Replacement Volume and 2005 Supplement)

4 BY adding to  
5 Article - State Government  
6 Section 9-1A-01 through 9-1A-35 to be under the new subtitle "Subtitle 1A.  
7 Video Lottery Terminals"  
8 Annotated Code of Maryland  
9 (2004 Replacement Volume and 2005 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article - State Finance and Procurement  
12 Section 11-203(a)(1)(xviii) and (xix)  
13 Annotated Code of Maryland  
14 (2001 Replacement Volume and 2005 Supplement)

15 BY adding to  
16 Article - State Finance and Procurement  
17 Section 11-203(a)(1)(xx)  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2005 Supplement)

20 BY repealing and reenacting, without amendments,  
21 Article - State Finance and Procurement  
22 Section 11-203(b)(1) and (2)  
23 Annotated Code of Maryland  
24 (2001 Replacement Volume and 2005 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - State Finance and Procurement  
27 Section 11-203(b)(3)  
28 Annotated Code of Maryland  
29 (2001 Replacement Volume and 2005 Supplement)

30 BY repealing and reenacting, with amendments,  
31 Article - State Finance and Procurement  
32 Section 11-203(b)(2)  
33 Annotated Code of Maryland  
34 (2001 Replacement Volume and 2005 Supplement)  
35 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

**Article - Business Regulation**

1  
2 11-202.

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

**Article - Health - General**

6  
7 19-801.

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

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

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

13 19-802.

14 The General Assembly finds that:

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

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

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

20 19-803.

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

24 19-804.

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

32 (i) Inpatient services[.];

33 (ii) Outpatient services[.];

- 1 (iii) Partial care services[.];
- 2 (iv) Aftercare services[.];
- 3 (v) Consultative services[.];
- 4 (vi) Educational services[.];
- 5 (vii) SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND
- 6 (VIII) Other preventive or rehabilitative services or treatment.
- 7 (2) Research and training that are designed to improve or extend these
- 8 services are proper items of expense.

9 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND

10 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND

11 PATHOLOGICAL GAMBLING IN MARYLAND.

12 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY

13 SHALL CONTRACT WITH AN INDEPENDENT RESEARCHER TO CONDUCT THE

14 PREVALENCE STUDIES.

15 (2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC

16 OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE

17 BASIS FOR THE PREVALENCE STUDIES.

18 (D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE

19 SEPTEMBER 30, 2007.

20 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS

21 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN

22 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE

23 STUDIES.

24 [(b)] (F) Services under this subtitle shall be provided by public agencies or,

25 under contract, by nonprofit organizations.

26 **Article - State Government**

27 9-105.

28 (a) The Commission consists of [5] NINE members appointed by the Governor

29 with the advice and consent of the Senate.

30 (b) (1) [Each] AT THE TIME OF APPOINTMENT, EACH member of the

31 Commission [must be a resident and citizen of the State] SHALL BE:

32 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

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

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

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

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

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

18 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

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

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

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

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

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

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



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

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

6 9-108.

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

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

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

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

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

16 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

17 9-1A-01.

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

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

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

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

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

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

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

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

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

8 (1) INFORMATION RETRIEVAL;

9 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO  
10 LOTTERY TERMINALS; AND

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

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

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

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

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

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

25 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY  
26 TERMINALS; AND

27 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND  
28 OTHER RELATED ACTIVITIES.

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

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

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

3 (O) "MANUFACTURER" MEANS A PERSON:

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

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

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

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

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

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

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

26 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR  
27 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT  
28 SYSTEM.

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

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

36 (W) "VIDEO LOTTERY" MEANS GAMING OR BETTING THAT IS CONDUCTED  
37 USING A VIDEO LOTTERY TERMINAL.

1 (X) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON THAT  
2 HOLDS A LICENSE.

3 (Y) "VIDEO LOTTERY FACILITY" MEANS A FACILITY WHERE PLAYERS PLAY  
4 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

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

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

10 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME  
11 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE  
12 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR  
13 OTHER DEVICE; AND

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

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

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

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

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

27 9-1A-02.

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

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

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

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

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

2 (I) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING  
3 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO  
4 LOTTERY TERMINALS;

5 (II) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL MONEY  
6 INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

7 (III) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY  
8 TERMINAL AS THE COMMISSION CONSIDERS NECESSARY TO CARRY OUT THE  
9 PROVISIONS OF THIS SUBTITLE; AND

10 (IV) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE OF  
11 OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

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

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

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

25 9-1A-03.

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

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

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

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

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

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

3 9-1A-04.

4 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

25 (II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

26 (III) CONDUCTING INVESTIGATIONS INTO THE OPERATION AND  
27 MAINTENANCE OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT  
28 AS THE COMMISSION CONSIDERS NECESSARY; AND

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

32 (B) THE COMMISSION MAY:

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

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

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

6           (4)     PROPOUND WRITTEN INTERROGATORIES.

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

10    (D)     THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE  
11 FOLLOWING SPECIFIC PROVISIONS:

12           (1)     ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT  
13 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW  
14 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE  
15 COMMISSION;

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

20           (3)     ESTABLISHING THE PROCEDURES FOR:

21                   (I)     FINGERPRINTING AN APPLICANT FOR ANY LICENSE REQUIRED  
22 UNDER THIS SUBTITLE; AND

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

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

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

30           (6)     DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO  
31 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO  
32 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY  
33 TERMINALS;

34           (7)     GOVERNING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE  
35 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE  
36 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE

1 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT  
2 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

3 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS  
4 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER  
5 THIS SUBTITLE;

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

8 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
9 MANAGEMENT CONTROLS;

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

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

20 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE  
21 AND MAINTAIN FINANCIAL VIABILITY;

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

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

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

29 (2) AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT  
30 SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE IS  
31 ISSUED OR REISSUED.

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

34 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY  
35 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS  
36 THAT ARE ADOPTED UNDER THIS SUBTITLE.



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

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

4 1. VIDEO LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE  
5 CONDUCTED;

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

9 3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR  
10 MAINTAINED;

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

13 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND  
14 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,  
15 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF  
16 EXAMINATION AND INSPECTION;

17 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND  
18 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING  
19 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,  
20 OR SIMILAR BUSINESS ENTITY; AND

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

22 1. BOOKS, RECORDS, LEDGERS, CASH BOXES AND THEIR  
23 CONTENTS;

24 2. A COUNTING ROOM OR ITS EQUIPMENT; OR

25 3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY  
26 OPERATIONS.

27 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING  
28 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO  
29 THE COMMISSION.

30 9-1A-05.

31 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
32 UNDER § 9-1A-35 OF THIS SUBTITLE MAY NOT ISSUE MORE THAN SIX VIDEO LOTTERY  
33 OPERATION LICENSES.

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

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

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

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

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

9 (5) AN OWNER OR OPERATOR OF A NONRACETRACK DESTINATION  
10 LOCATION DESCRIBED UNDER § 9-1A-35 OF THIS SUBTITLE.

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

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

15 (2) FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR THE  
16 GEOGRAPHIC LOCATION ON JUNE 1, 2006, OF THE HORSE RACECOURSE FOR WHICH  
17 THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.

18 (D) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A  
19 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE  
20 RACETRACK LOCATION OR THE NONRACETRACK DESTINATION LOCATION AT THE  
21 TIME THE LICENSE IS ISSUED.

22 (E) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR  
23 BENEFICIARY OF THE BUSINESS ENTITY, INCLUDING AN OFFICER, DIRECTOR,  
24 PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR BENEFICIAL OWNER  
25 OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER PROVISIONS OF  
26 THIS SUBTITLE, INCLUDES ANY PERCENTAGE OF OWNERSHIP.

27 (2) A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK  
28 LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR  
29 BE AN OWNER OF A BUSINESS ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION  
30 LICENSE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE.

31 (3) A VIDEO LOTTERY OPERATION LICENSEE AT A NONRACETRACK  
32 DESTINATION LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY  
33 OPERATION LICENSE OR BE AN OWNER OF A BUSINESS ENTITY THAT HOLDS A VIDEO  
34 LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION IN THE STATE.

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

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

4 9-1A-06.

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

6 (1) A VIDEO LOTTERY OPERATOR;

7 (2) A MANUFACTURER;

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

12 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

28 9-1A-07.

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

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

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

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

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

1 (3) AN APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

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

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

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

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

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

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

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

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

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

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

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

36 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,  
37 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING  
38 QUALIFICATIONS BY CLEAR AND CONVINCING EVIDENCE:

1 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
2 OF THE APPLICANT OR LICENSEE;

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

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

8 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
9 APPLICANT OR LICENSEE.

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

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

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

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

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

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

35 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION  
36 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY  
37 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION  
38 REQUIRED BY THE COMMISSION.

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

4 9-1A-08.

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

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

10 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES,  
11 IF ANY, OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF  
12 THE BUSINESS ENTITY;

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

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

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

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

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

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

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

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

36 (11) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING  
37 ARRANGEMENTS;

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

2 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS WERE  
36 AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN 2005  
37 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER  
38 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

39 (C) (1) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A  
40 RACETRACK LOCATION AT THE PIMLICO RACE COURSE OR LAUREL PARK, THE VIDEO  
41 LOTTERY OPERATION LICENSE FOR THE LOCATION SHALL BE REVOKED IF THE



1 NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS,  
2 TRADE NAMES, OR HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE  
3 PREAKNESS STAKES OR THE WOODLAWN VASE ARE TRANSFERRED TO A LOCATION  
4 OUTSIDE THE STATE.

5 (2) (I) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY  
6 OPERATION LICENSE, A LICENSEE DESCRIBED IN PARAGRAPH (1) OF THIS  
7 SUBSECTION SHALL BE REQUIRED TO PROMOTE AND CONDUCT THE PREAKNESS  
8 STAKES AT THE PIMLICO RACE COURSE EACH YEAR.

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

15 (D) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A  
16 RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE SHALL PERMIT THE EVENT  
17 KNOWN AS THE MARYLAND MILLION TO BE RUN ANNUALLY AT LAUREL PARK  
18 UNLESS:

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

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

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

27 (2) EACH PLAN SHALL INCLUDE:

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

31 (II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT  
32 REFLECTS, AT A MINIMUM:

33 1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE  
34 RACING COMMISSION; AND

35 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE  
36 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$1,000,000  
37 ANNUALLY.

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

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

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

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

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

25 9-1A-10.

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

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

36            (3)    A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,  
37 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT  
38 ENTERED INTO BY AN APPLICANT OR LICENSEE, MAY NOT NEGATE THE  
39 REQUIREMENTS OF THIS SUBSECTION.

40            (4)    NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
41 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING

1 QUALIFIED EMPLOYEES FROM THE COMMUNITIES WITHIN 10 MILES OF THE VIDEO  
2 LOTTERY FACILITY.

3 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY  
4 BELIEVES THAT THE APPLICANT HAS BEEN DISCRIMINATED AGAINST IN THE  
5 EMPLOYMENT PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION  
6 TO THE LOCAL HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE VIDEO  
7 LOTTERY FACILITY IS LOCATED.

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

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

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

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

19 (C) ON OR AFTER JULY 1, 2009, THE PROVISIONS OF THIS SECTION AND ANY  
20 REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY  
21 NOT BE ENFORCED.

22 9-1A-11.

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

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

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

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

37 (D) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH THE  
38 REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION, THE LICENSE

1 ISSUED TO THE LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT  
2 TO THE STATE.

3 9-1A-12.

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

12 9-1A-13.

13 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15  
14 YEARS.

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

20 (C) IF A VIDEO LOTTERY OPERATION LICENSEE INTENDS TO RENEW THE  
21 LICENSE, THE LICENSEE SHALL FILE WITH THE COMMISSION A NOTICE OF INTENT  
22 TO REAPPLY FOR THE LICENSE UNDER THIS SUBTITLE 1 YEAR BEFORE THE  
23 EXPIRATION OF THE TERM OF A VIDEO LOTTERY OPERATION LICENSE.

24 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY  
25 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF  
26 10 YEARS AND SUBMIT A LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

29 9-1A-14.

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

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

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

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

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

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

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

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

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

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

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

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

34 9-1A-15.

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

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

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

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

13 9-1A-16.

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

20 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;  
21 AND

22 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN  
23 ANOTHER STATE.

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

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

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

37 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR  
38 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION  
39 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A  
40 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 SUBTITLE 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) AN APPLICANT SHALL APPLY TO THE DEPARTMENT OF PUBLIC  
25 SAFETY AND CORRECTIONAL SERVICES CENTRAL REPOSITORY FOR A STATE AND A  
26 NATIONAL CRIMINAL HISTORY RECORDS CHECK.

27 (2) THE APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:

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

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

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



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

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

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

12 9-1A-21.

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

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

16 (2) UNDER THE CONTROL OF THE COMMISSION.

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

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

29 9-1A-22.

30 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
31 UNDER § 9-1A-35 OF THIS SUBTITLE MAY AWARD UP TO 15,500 VIDEO LOTTERY  
32 TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

33 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL AWARD  
34 THE NUMBER OF VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION  
35 LICENSEES AS PROVIDED IN THIS SECTION AND § 9-1A-35 OF THIS SUBTITLE.

36 (C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO LOTTERY  
37 TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION LOCATIONS AND  
38 EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS

1 AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN  
2 ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY  
3 COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO  
4 VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE  
5 HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

6 (2) IN DETERMINING THE HIGHEST POTENTIAL REVENUE TO BE  
7 ACHIEVED BY ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH POTENTIAL  
8 LOCATION, THE STATE LOTTERY COMMISSION SHALL CONSIDER THE MARKET  
9 PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS AT EACH LOCATION.

10 (D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE  
11 LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A  
12 MANNER THAT RESULTS IN MORE THAN:

13 (1) 7,500 VIDEO LOTTERY TERMINALS BEING LOCATED IN ANY COUNTY  
14 IN THE STATE;

15 (2) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR  
16 OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

17 (3) 6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR  
18 OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD BY  
19 THE SAME INDIVIDUAL OR BUSINESS ENTITY.

20 9-1A-23.

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

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

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

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

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

33 9-1A-24.

34 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION  
35 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION  
36 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

14 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT  
15 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE  
16 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN  
17 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY  
18 TERMINALS ARE LOCATED.

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

23 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE  
24 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS  
25 RELATING TO INDIVIDUALS:

26 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS  
27 ADOPTED BY THE COMMISSION;

28 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER  
29 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED  
30 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A  
31 GAMBLING OFFENSE; OR

32 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE  
33 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE  
34 PERSON.

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

39 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO  
40 JUDICIAL REVIEW.

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

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

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

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

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

17 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN  
18 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO  
19 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE  
20 VOLUNTARY EXCLUSION LIST.

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

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

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

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

29 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS  
30 WILL ACCEPT;

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

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

1 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM  
2 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY  
3 MARKETING PRACTICES.

4 9-1A-25.

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

7 (1) THIS SUBTITLE;

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

9 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

16 (I) THE SERIOUSNESS OF THE VIOLATION;

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

18 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON  
19 WHO COMMITTED THE VIOLATION.

20 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,  
21 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL  
22 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO  
23 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING  
24 TO VIDEO LOTTERY OPERATIONS.

25 9-1A-26.

26 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS  
27 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND  
28 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN  
29 THIS SUBTITLE.

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

32 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER  
33 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN  
34 THIS SUBTITLE.

1 9-1A-27.

2 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
3 TERMINALS:

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

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

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

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

15 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
16 COMMISSION, 5% IN A LOCAL DEVELOPMENT GRANT TO THE COUNTY IN WHICH A  
17 VIDEO LOTTERY FACILITY IS LOCATED, SUBJECT TO A REQUIREMENT THAT IF A  
18 VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED TO A RACETRACK  
19 LOCATION AT LAUREL PARK, THE LOCAL DEVELOPMENT GRANT SHALL BE  
20 DISTRIBUTED IN THE FOLLOWING MANNER:

21 (I) 73% TO ANNE ARUNDEL COUNTY;

22 (II) 17% TO HOWARD COUNTY; AND

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

24 (3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,  
25 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS  
26 SUBTITLE; AND

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

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

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

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

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

5 9-1A-28.

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

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

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

12 (3) THE COMPTROLLER SHALL:

13 (I) ACCOUNT FOR THE FUND; AND

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

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

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

22 (C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS  
23 SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF  
24 THE FUNDS IN THE ACCOUNT EACH YEAR TO THE THOROUGHBRED INDUSTRY AND  
25 TO THE STANDARDBRED INDUSTRY BASED ON THE PERCENTAGE OF THE TOTAL  
26 WAGERING ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE  
27 ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR CALENDAR YEAR.

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

30 (1) 89% TO THOROUGHBRED PURSES AT THE PIMLICO RACECOURSE,  
31 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN  
32 TIMONIUM; AND

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

34 (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARDBRED PURSES AND  
35 THE STANDARDBRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

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

3 (2) 11% TO THE STANDARD BRED RACE FUND.

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

7 (G) (1) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM THE  
8 FUNDS UNDER SUBSECTION (D)(1) OF THIS SECTION SHALL GO TO THE MARYLAND  
9 HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF THE  
10 BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE FUNDS UNDER  
11 SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO THE MARYLAND STANDARD BRED  
12 HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF THE  
13 BUSINESS REGULATION ARTICLE.

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

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

20 (I) NEED;

21 (II) DOCUMENTED MARYLAND RESIDENCY; AND

22 (III) NUMBER OF RACES RIDDEN OR DRIVEN PER YEAR ON  
23 MARYLAND TRACKS.

24 9-1A-29.

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

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

30 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND  
31 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO  
32 THE FUND.

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

34 (1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE  
35 EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN  
36 PREKINDERGARTEN THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE



1 PROGRAMS COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC  
2 SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL  
3 ASSEMBLY OF 2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE  
4 COST OF EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE; AND

5 (2) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND  
6 PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH  
7 5-303 OF THE EDUCATION ARTICLE.

8 (D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR 2008  
9 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2014, FUNDS IN AN  
10 AMOUNT NOT EXCEEDING \$400,000,000 FROM THE EDUCATION TRUST FUND FOR THE  
11 FUNDING OF PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A  
12 PAY-AS-YOU-GO BASIS.

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

15 9-1A-30.

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

20 (1) INFRASTRUCTURE IMPROVEMENTS;

21 (2) FACILITIES;

22 (3) PUBLIC SAFETY;

23 (4) SANITATION;

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

25 AND

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

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

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

1 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE  
2 FACILITY IS LOCATED;

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

5 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION  
6 LICENSEE;

7 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE  
8 PROXIMITY TO THE FACILITY; AND

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

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

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

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

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

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

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

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

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

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

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

7 (II) AT LEAST 75% OF ITS ENTIRE INVESTMENT PORTFOLIO IN  
8 EQUITY AND NEAR EQUITY TYPES OF INVESTMENTS MADE FOR THE PURPOSE OF  
9 CREATING AND RETAINING JOBS IN ECONOMICALLY DISTRESSED COMMUNITIES IN  
10 THE STATE.

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

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

23 9-1A-31.

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

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

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

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

29 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,  
30 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §  
31 9-1A-30 OF THIS SUBTITLE; AND

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

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

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

4 9-1A-32.

5 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

26 2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING  
27 PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE  
28 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

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

33 9-1A-33.

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

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

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

6 9-1A-34.

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

12 **Article - State Finance and Procurement**

13 11-203.

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

16 (1) procurement by:

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

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

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

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

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

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

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

- 1 (iv) § 13-219 of this article ("Required clauses - Nondiscrimination  
2 clause");
- 3 (v) § 13-221 of this article ("Disclosures to Secretary of State");
- 4 (vi) Title 12, Subtitle 4 of this article ("Policies and procedures for  
5 exempt units");
- 6 (vii) Title 16 of this article ("Debarment of Contractors"); and
- 7 (viii) Title 17 of this article ("Special Provisions - State and Local  
8 Subdivisions").

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

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

15 **Article - State Government**

16 9-1A-35.

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

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

20 (II) APPOINTMENTS TO THE VIDEO LOTTERY FACILITY LOCATION  
21 COMMISSION SHALL BE SUBJECT TO THE APPROVAL OF THE LEGISLATIVE POLICY  
22 COMMITTEE.

23 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE  
24 PRESIDENT OF THE SENATE.

25 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER  
26 OF THE HOUSE.

27 (III) FIVE OF THE MEMBERS SHALL BE APPOINTED BY THE  
28 GOVERNOR.

29 (3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS  
30 SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY  
31 OF THE POPULATION OF THE STATE.

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

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

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

2 (2) SHALL BE A RESIDENT OF THE STATE;

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

5 (I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN  
6 CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

7 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR  
8 ECONOMICS; OR

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

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

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

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

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

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

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

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

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

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

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

7       (F)     (1)     THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT  
8 AWARD MORE THAN A TOTAL OF SIX VIDEO LOTTERY OPERATION LICENSES.

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

13           (3)     THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD  
14 UP TO FOUR VIDEO LOTTERY OPERATION LICENSES TO THE HOLDERS OF LICENSES  
15 TO HOLD RACE MEETINGS AT THE FOLLOWING LOCATIONS:

16                   (I)     PIMLICO RACE COURSE IN BALTIMORE CITY;

17                   (II)    LAUREL PARK RACETRACK IN ANNE ARUNDEL COUNTY;

18                   (III)   ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY; AND

19                   (IV)   THE HORSE RACECOURSE IN ALLEGANY COUNTY.

20           (4)     (I)     THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY  
21 AWARD UP TO TWO VIDEO LOTTERY OPERATION LICENSES TO NONRACETRACK  
22 DESTINATION LOCATIONS IN THE FOLLOWING COUNTIES:

23                           1.     PRINCE GEORGE'S COUNTY;

24                           2.     HOWARD COUNTY;

25                           3.     BALTIMORE CITY;

26                           4.     BALTIMORE COUNTY;

27                           5.     HARFORD COUNTY; OR

28                           6.     CECIL COUNTY.

29                   (II)    A NONRACETRACK DESTINATION LOCATION UNDER THIS  
30 SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE STATE  
31 EXISTING ON JULY 1, 2005.

32           (5)     IN ACCORDANCE WITH THE LIMITATIONS IN § 9-1A-22 OF THIS  
33 SUBTITLE CONCERNING THE NUMBER OF VIDEO LOTTERY TERMINALS THAT MAY BE  
34 AWARDED, WHEN AWARDING A VIDEO LOTTERY OPERATION LICENSE THE VIDEO



1 LOTTERY FACILITY LOCATION COMMISSION SHALL SPECIFY THE NUMBER OF VIDEO  
2 LOTTERY TERMINALS AWARDED TO EACH FACILITY.

3 (6) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT  
4 AWARD MORE THAN TWO VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY.

5 (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL SET AN  
6 APPLICATION FEE TO BE SUBMITTED BY BIDDERS FOR A VIDEO LOTTERY OPERATION  
7 LICENSE THAT IS SUFFICIENT TO COVER THE COSTS ASSOCIATED WITH  
8 CONSIDERATION OF THE BID AND QUALIFICATION OF THE BIDDER BY THE VIDEO  
9 LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY COMMISSION.

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

12 (I) SHALL BE SUBMITTED BY OCTOBER 1, 2006;

13 (II) SHALL INCLUDE THE INFORMATION NECESSARY FOR  
14 APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE AS REQUIRED BY THIS  
15 SUBTITLE;

16 (III) SHALL INCLUDE AN APPLICATION FEE ESTABLISHED BY THE  
17 VIDEO LOTTERY FACILITY LOCATION COMMISSION FOR THE PURPOSE OF COVERING  
18 EXPENSES THAT WILL BE INCURRED BY THE VIDEO LOTTERY FACILITY LOCATION  
19 COMMISSION IN CONSIDERING A BID;

20 (IV) SHALL INCLUDE PROOF THAT FUNDS ARE AVAILABLE TO PAY  
21 THE INITIAL LICENSE FEE ESTABLISHED UNDER SUBSECTION (J) OF THIS SECTION IF  
22 A VIDEO LOTTERY FACILITY LICENSE IS AWARDED; AND

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

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

29 (3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE  
30 UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$15,000,000 IN DIRECT  
31 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH  
32 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE  
33 PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS  
34 CONTAINED IN THE BID.

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

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

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

6 (II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION  
7 BASED ON A MARKET ANALYSIS;

8 (III) THE ABILITY TO ATTRACT OUT-OF-STATE GAMING  
9 PARTICIPANTS;

10 (IV) THE EXTENT TO WHICH THE PROPOSED LOCATION  
11 DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND  
12 NATIONAL TOURIST DESTINATION;

13 (V) THE PROPOSED FACILITY CAPITAL CONSTRUCTION PLANS AND  
14 COMPETITIVENESS OF THE PROPOSED FACILITY;

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

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

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

21 (3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION  
22 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON  
23 ECONOMIC DEVELOPMENT FACTORS INCLUDING:

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

25 (II) THE TYPES OF JOBS THAT WILL BE CREATED AND WHETHER  
26 BENEFITS, INCLUDING HEALTH CARE BENEFITS, WILL BE AVAILABLE TO  
27 EMPLOYEES; AND

28 (III) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE  
29 AREA OF THE PROPOSED FACILITY.

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

33 (I) THE EXISTING TRANSPORTATION INFRASTRUCTURE  
34 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 SIX VIDEO LOTTERY  
15 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 and  
6 its various integrated provisions is to provide for the authorization and regulation of  
7 certain gaming devices for the purpose of generating State revenues and other funds  
8 for specified purposes, including funding public education and assisting the State's  
9 racing industry. This section is not intended to detract from the application of the  
10 severability provision contained in Section 5 of this Act or from the ability of a court  
11 of competent jurisdiction to consider and apply appropriate severability principles in  
12 the event of a judicial challenge to the validity of a specific portion or portions of this  
13 Act.

14 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by  
15 the Board of Public Works under § 14-303(b) of the State Finance and Procurement  
16 Article of the Annotated Code of Maryland, in consultation with the General  
17 Assembly and the Office of the Attorney General, shall initiate two studies of the  
18 requirements of § 9-1A-10 of the State Government Article as enacted by Section 1 of  
19 this Act that evaluate the continued compliance of the requirement with any federal  
20 and constitutional requirements. In preparation for the studies, the State Lottery  
21 Commission shall require video lottery operation license applicants and licensees to  
22 provide any information necessary to perform the study. The studies shall also  
23 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, 2007,  
26 so that the General Assembly may review the report prior to the 2008 Session. A final  
27 report of the second study shall be submitted to the Legislative Policy Committee on  
28 or before September 30, 2009, 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 2010 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, in accordance with § 2-1246 of the State  
38 Government Article, within 6 months after the issuance of the license for a location at  
39 the Pimlico Race Course. The cost of the study undertaken by the Department of  
40 Transportation under this section shall be paid by the holder of the license issued for  
41 a location at the Pimlico Race Course. Notwithstanding § 9-1A-31 of the State  
42 Government Article, as enacted by Section 1 of this Act, the costs of any  
43 improvements to the streets and roads in the neighborhoods surrounding Pimlico  
44 Race Course and for the planning, design, and construction of an interchange on the  
45 Jones Falls Expressway between Northern Parkway and Interstate 695 that are  
46 recommended in the study or are needed to facilitate access to Pimlico Race Course

1 and mitigate the increased traffic resulting from any proposed operation of video  
2 lottery terminals at Pimlico Race Course are the sole responsibility of the holder of  
3 the license issued for a location at the Pimlico Race Course, and may not be paid from  
4 any State money, including money from the Transportation Trust Fund or highway  
5 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 2008;
- 11 (2) one member in 2009; and
- 12 (3) two members in 2010.

13 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
14 shall take effect June 1, 2006. It shall remain effective for a period of 2 years following  
15 the award of the sixth video lottery operation license and with no further action  
16 required by the General Assembly, Section 2 of this Act shall be abrogated and of no  
17 further force and effect. On award of the sixth video lottery operation license, the  
18 Video Lottery Facility Location Commission within 5 days after the award shall  
19 notify in writing the Department of Legislative Services, 90 State Circle, Annapolis,  
20 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, 2006.