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By: **Delegates Bromwell, Malone, and DeBoy**  
Introduced and read first time: January 27, 2006  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Education Trust Fund - Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation  
4 of certain video lottery terminals; transferring the State Lottery Agency and  
5 State Lottery Commission to the Office of the Comptroller; altering a certain  
6 geographic cost of education index grant that reflects regional differences in the  
7 cost of education that are due to factors outside the control of local jurisdictions  
8 to be a mandatory education funding requirement; requiring the State Racing  
9 Commission to award at least a certain number of racing days to a certain  
10 racecourse in each calendar year; requiring the Secretary of Health and Mental  
11 Hygiene to establish certain regional centers for services to compulsive  
12 gamblers; requiring the Secretary to conduct certain studies; altering the  
13 membership of the State Lottery Commission; specifying certain requirements  
14 for members of the State Lottery Commission; providing that members of the  
15 State Lottery Commission may be compensated as provided in the State budget;  
16 authorizing the operation of video lottery terminals connected to a certain  
17 central computer that allows the State Lottery Commission to monitor a video  
18 lottery terminal and that has certain capabilities; prohibiting access to the  
19 central computer to certain licensees with a certain exception; providing that  
20 only a person with a certain video lottery operation license may offer a video  
21 lottery terminal for public use in the State; providing that this Act is statewide  
22 and exclusive in its effect and that certain laws do not apply to video lottery  
23 terminals authorized under this Act; authorizing the State Lottery Commission  
24 to conduct certain investigations and hearings; requiring the State Lottery  
25 Commission to adopt certain regulations; requiring the State Lottery  
26 Commission to require a certain bond and collect certain fees, civil penalties,  
27 and taxes; authorizing the State Lottery Commission to inspect and seize  
28 certain equipment, financial information, and records without notice or  
29 warrant; authorizing the Video Lottery Facility Location Commission to issue a  
30 certain number of video lottery operation licenses under certain circumstances;  
31 requiring certain video lottery terminal manufacturers, video lottery operators,  
32 video lottery employees, and other individuals required by the State Lottery  
33 Commission to be licensed; providing for the application and licensing process;  
34 establishing certain eligibility criteria and disqualifying criteria for a video  
35 lottery operation license; requiring certain licensees to maintain certain

1 numbers of live racing days; providing that certain licensees are ineligible for  
2 certain funding if a certain horse racing event or trade names and other items  
3 related to the event are transferred out of the State; requiring a certain licensee  
4 to conduct a certain annual race with certain exceptions; requiring certain  
5 licensees to submit to the State Racing Commission a certain plan to improve  
6 the quality and marketing of horse racing; requiring certain applicants and  
7 licensees to comply with certain provisions of law relating to minority business  
8 participation; specifying that certain collective bargaining agreements do not  
9 negate certain provisions of this Act; providing for the monitoring of certain  
10 provisions of this Act by the Governor's Office of Minority Affairs; providing that  
11 the Video Lottery Facility Location Commission may reissue a video lottery  
12 operation license under certain circumstances; providing for certain eligibility  
13 criteria and disqualifying criteria for certain licenses; providing for certain  
14 waivers of certain licensing requirements under certain circumstances;  
15 providing for certain license terms; stating the intent of the General Assembly  
16 relating to video lottery operation licenses; prohibiting a video lottery operation  
17 license from being transferred or pledged as collateral; prohibiting certain  
18 licensees from selling or otherwise transferring more than a certain percentage  
19 of the legal or beneficial interest unless certain conditions are met; requiring  
20 that the transfer of a certain interest in a person that holds a video lottery  
21 operation license be approved by the State Lottery Commission; requiring the  
22 Department of State Police to conduct certain background investigations in a  
23 certain manner; requiring the State Lottery Commission to buy or lease the  
24 video lottery terminals, associated equipment, and central computer authorized  
25 under this Act; specifying limits on the number of video lottery terminals  
26 allowed at certain facilities; allowing a certain number of destination locations  
27 to be eligible for a video lottery operation license under certain circumstances;  
28 establishing a Video Lottery Facility Location Commission; establishing the  
29 membership of the Video Lottery Facility Location Commission; establishing  
30 certain eligibility requirements for membership on the Video Lottery Facility  
31 Location Commission; providing for certain reimbursements and staffing;  
32 allowing the Video Lottery Facility Location Commission to award not more  
33 than a certain number of video lottery operation licenses to certain video lottery  
34 destination locations; requiring the Video Lottery Facility Location Commission  
35 to consider certain factors; providing the minimum payout for video lottery  
36 terminals and authorizing the State Lottery Commission to adopt certain video  
37 lottery terminal payouts; providing for the hours of operation of video lottery  
38 terminals; prohibiting the State Lottery Commission from issuing certain  
39 licenses under certain circumstances; prohibiting a video lottery operation  
40 licensee from offering food or beverages at no cost with a certain exception or  
41 from offering food and beverages below certain prices; requiring the State  
42 Lottery Commission to adopt certain regulations to reduce or mitigate the  
43 effects of problem gambling; authorizing the State Lottery Commission to  
44 reprimand a licensee or deny, suspend, or revoke certain licenses under certain  
45 circumstances; requiring the Comptroller to collect and distribute certain money  
46 in specified ways; establishing the Education Trust Fund; requiring certain  
47 distributions from video lottery proceeds to the Education Trust Fund to be used  
48 for a certain purpose; requiring the Interagency Committee on School

1 Construction to establish priorities in a certain manner for projects to be funded  
2 by the Education Trust Fund; establishing a Purse Dedication Account under  
3 the authority of the State Racing Commission; providing for a certain  
4 distribution from video lottery proceeds to the Purse Dedication Account for  
5 horse racing; providing for certain distributions from the Purse Dedication  
6 Account for horse racing in a certain manner; establishing a Racetrack Facility  
7 Renewal Account under the authority of the State Racing Commission;  
8 providing for a certain distribution from video lottery proceeds to the Racetrack  
9 Facility Renewal Account for capital construction and improvements at  
10 racetracks; providing for certain distributions from the Racetrack Facility  
11 Renewal Account for capital construction and improvements at racetracks in a  
12 certain manner; authorizing the State to pay certain transportation costs;  
13 requiring the Department of Transportation to facilitate certain negotiations;  
14 requiring a certain transportation plan to be developed by certain counties;  
15 providing for the creation of certain local development councils; providing for  
16 appointment and membership of certain local development councils; requiring  
17 certain counties to develop certain plans to be reviewed by certain local  
18 development councils; specifying that certain local impact grants should be used  
19 for certain purposes; authorizing certain fees and providing for a certain  
20 distribution from certain fees to the Compulsive Gambling Fund; creating a  
21 Compulsive Gambling Fund in the Department of Health and Mental Hygiene;  
22 providing for certain disbursements from the Compulsive Gambling Fund for  
23 certain purposes; exempting a certain procurement by the State Lottery  
24 Commission from certain provisions of law; requiring the State Lottery  
25 Commission to make a certain annual report by a certain date; prohibiting a  
26 licensee for a certain period of time from employing, or entering into a financial  
27 relationship with, an individual who was a member of the State Lottery  
28 Commission or the Video Lottery Facility Location Commission; requiring the  
29 State Lottery Commission to conduct certain market analyses and submit  
30 certain reports; requiring the Governor to include certain funds in the State  
31 budget for a certain fiscal year for a certain analysis; requiring a certain  
32 certification entity to conduct certain studies and make certain reports; making  
33 the provisions of this Act severable; providing for the staggering of the terms of  
34 certain new members of the State Lottery Commission; defining certain terms;  
35 making stylistic changes; providing for the termination of certain provisions of  
36 this Act; providing that certain provisions of this Act are contingent on the  
37 termination of another Act; and generally relating to the operation of video  
38 lottery terminals at certain locations in the State.

39 BY repealing and reenacting, with amendments,  
40 Article - Education  
41 Section 5-202(f)  
42 Annotated Code of Maryland  
43 (2004 Replacement Volume and 2005 Supplement)

44 BY repealing and reenacting, with amendments,  
45 Article - Business Regulation

1 Section 11-511  
2 Annotated Code of Maryland  
3 (2004 Replacement Volume and 2005 Supplement)

4 BY repealing and reenacting, without amendments,  
5 Article - Health - General  
6 Section 19-801 and 19-802  
7 Annotated Code of Maryland  
8 (2005 Replacement Volume and 2005 Supplement)

9 BY repealing and reenacting, with amendments,  
10 Article - Health - General  
11 Section 19-803 and 19-804  
12 Annotated Code of Maryland  
13 (2005 Replacement Volume and 2005 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article - State Government  
16 Section 9-103, 9-105, 9-107, and 9-108(c)(1) and (d)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2005 Supplement)

19 BY adding to  
20 Article - State Government  
21 Section 9-109(d); and 9-1A-01 through 9-1A-36 to be under the new subtitle  
22 "Subtitle 1A. Video Lottery Terminals"  
23 Annotated Code of Maryland  
24 (2004 Replacement Volume and 2005 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - State Finance and Procurement  
27 Section 11-203(a)(1)(xviii) and (xix)  
28 Annotated Code of Maryland  
29 (2001 Replacement Volume and 2005 Supplement)

30 BY adding to  
31 Article - State Finance and Procurement  
32 Section 11-203(a)(1)(xx)  
33 Annotated Code of Maryland  
34 (2001 Replacement Volume and 2005 Supplement)

35 BY repealing and reenacting, with amendments,  
36 Article - State Finance and Procurement

1 Section 11-203(b)(3)  
2 Annotated Code of Maryland  
3 (2001 Replacement Volume and 2005 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Article - State Finance and Procurement  
6 Section 11-203(b)(2)  
7 Annotated Code of Maryland  
8 (2001 Replacement Volume and 2005 Supplement)  
9 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

12 **Article - Education**

13 5-202.

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

- 16 (i) 0.000 in Allegany;
- 17 (ii) 0.018 in Anne Arundel;
- 18 (iii) 0.042 in Baltimore City;
- 19 (iv) 0.008 in Baltimore;
- 20 (v) 0.021 in Calvert;
- 21 (vi) 0.000 in Caroline;
- 22 (vii) 0.014 in Carroll;
- 23 (viii) 0.000 in Cecil;
- 24 (ix) 0.020 in Charles;
- 25 (x) 0.000 in Dorchester;
- 26 (xi) 0.024 in Frederick;
- 27 (xii) 0.000 in Garrett;
- 28 (xiii) 0.000 in Harford;
- 29 (xiv) 0.015 in Howard;
- 30 (xv) 0.010 in Kent;

- 1 (xvi) 0.034 in Montgomery;
- 2 (xvii) 0.048 in Prince George's;
- 3 (xviii) 0.011 in Queen Anne's;
- 4 (xix) 0.002 in St. Mary's;
- 5 (xx) 0.000 in Somerset;
- 6 (xxi) 0.000 in Talbot;
- 7 (xxii) 0.000 in Washington;
- 8 (xxiii) 0.000 in Wicomico; and
- 9 (xxiv) 0.000 in Worcester.

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

14 (3) [Subject to paragraph (4) of this subsection, the] THE amount of the  
15 grant to each county board under this subsection shall equal the GCEI adjustment for  
16 the county board multiplied times:

- 17 (i) 0.50 in fiscal year [2006] 2008;
- 18 (ii) 0.62 in fiscal year [2007] 2009;
- 19 (iii) 0.74 in fiscal year [2008] 2010;
- 20 (iv) 0.86 in fiscal year [2009] 2011; and
- 21 (v) 1.00 in fiscal year [2010] 2012 and each fiscal year thereafter.

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

- 26 (i) The numerator of which is the amount provided in the State  
27 budget to fund the grants; and
- 28 (ii) The denominator of which is the sum of the amounts calculated  
29 under paragraph (3) of this subsection for all the county boards.]

1 **Article - Business Regulation**

2 11-511.

3 (a) (1) On or before December 1, the Commission shall award all racing days  
4 for the next calendar year.

5 (2) However, the Commission may meet after December 1 to award  
6 racing days that are requested in applications.

7 (b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
8 SUBSECTION, THE Commission may award for any calendar year up to the number of  
9 racing days requested by an applicant.

10 (2) THE COMMISSION SHALL AWARD AT LEAST 40 RACING DAYS TO THE  
11 PIMLICO RACE COURSE IN BALTIMORE CITY IN EACH CALENDAR YEAR.

12 (c) The decision of the Commission on the award of a racing day is final.

13 **Article - Health - General**

14 19-801.

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

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

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

20 19-802.

21 The General Assembly finds that:

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

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

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

27 19-803.

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

1 19-804.

2 (a) (1) The Secretary [may] SHALL make grants from or agreements for the  
3 use of State FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-33 OF THE  
4 STATE GOVERNMENT ARTICLE, and federal funds to help public agencies or nonprofit  
5 organizations operate the [center] REGIONAL CENTERS for compulsive gamblers  
6 WHO RESIDE IN THE STATE and establish and operate ADDITIONAL local programs to  
7 provide the following for compulsive gamblers WHO RESIDE IN THE STATE AND THEIR  
8 IMMEDIATE FAMILY MEMBERS:

9 (i) Inpatient services[.];

10 (ii) Outpatient services[.];

11 (iii) Partial care services[.];

12 (iv) Aftercare services[.];

13 (v) Consultative services[.];

14 (vi) Educational services[.];

15 (VII) SERVICES IN DOMESTIC VIOLENCE; AND

16 [(vii)] (VIII) Other preventive or rehabilitative services or  
17 treatment.

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

20 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND  
21 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND  
22 PATHOLOGICAL GAMBLING IN THE STATE.

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

26 (2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC  
27 OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE  
28 BASIS FOR THE PREVALENCE STUDIES.

29 (D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE  
30 SEPTEMBER 30, 2007.

31 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS  
32 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN  
33 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE  
34 STUDIES.



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

3 **Article - State Government**

4 9-103.

5 There is a State Lottery Agency IN THE OFFICE OF THE COMPTROLLER.

6 9-105.

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

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

11 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

19 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO  
20 LOTTERY TERMINALS;

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

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

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

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

29 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

2 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION  
3 TECHNOLOGY.

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

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

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

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

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

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

15 9-107.

16 (a) [With the advice and consent of the Senate, the Governor] THE  
17 COMPTROLLER shall appoint the Director of the Agency, who is the executive officer of  
18 the Agency and secretary of the Commission.

19 [(b)] The Director serves at the pleasure of the Governor.]

20 [(c)] (B) The Director must have the training and experience needed to direct  
21 the work of the Agency.

22 [(d)] (C) The Director shall devote full time to the duties of office and may not  
23 engage in another profession or occupation.

24 [(e)] (D) In addition to any duties set forth elsewhere in this subtitle, the  
25 Director shall have immediate supervision and direction over the Agency.

26 [(f)] (E) The Director is entitled to the salary provided in the State budget.

27 9-108.

28 (c) (1) The secretary of the Commission promptly shall send the [Governor]  
29 COMPTROLLER a certified copy of the minutes of each meeting of the Commission.

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

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

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

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

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

7 9-109.

8 (D) (1) THE COMMISSION SHALL CONDUCT A MARKET ANALYSIS EVERY 2  
9 YEARS TO DETERMINE THE JURISDICTION OF RESIDENCE, DEMOGRAPHIC  
10 CHARACTERISTICS, AND ANNUAL NET CUSTOMER SPENDING FOR EACH OF THE  
11 FOLLOWING GAMBLING PRODUCTS:

12 (I) VIDEO LOTTERY TERMINALS;

13 (II) KENO;

14 (III) INSTANT SCRATCH-OFF GAMES;

15 (IV) DAILY GAMES;

16 (V) MULTISTATE LOTTO TYPE GAMES; AND

17 (VI) ANY OTHER PRODUCTS THAT THE COMMISSION DEEMS  
18 APPROPRIATE.

19 (2) THE RESULTS OF THIS ANALYSIS SHALL BE REPORTED TO THE  
20 GOVERNOR, THE SECRETARY OF HEALTH AND MENTAL HYGIENE, AND THE  
21 LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

22 (3) THE GOVERNOR SHALL PROVIDE AT LEAST \$250,000 IN THE FISCAL  
23 YEAR 2008 BUDGET TO SUPPORT THIS ANALYSIS, WHICH MAY TAKE THE FORM OF  
24 REPROGRAMMING EXISTING RESOURCES OF THE AGENCY, AND \$125,000 EVERY 2  
25 YEARS THEREAFTER.

26 (4) THE INITIAL ANALYSIS SHALL BE COMPLETED ON OR BEFORE JUNE  
27 30, 2008, AND THE INITIAL REPORT SHALL BE SUBMITTED ON OR BEFORE OCTOBER 1,  
28 2008, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE.

29 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

30 9-1A-01.

31 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
32 INDICATED.

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

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

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

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

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

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

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

21 (1) INFORMATION RETRIEVAL;

22 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO  
23 LOTTERY TERMINALS; AND

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

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

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

28 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE  
29 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS  
30 SUBTITLE, INCLUDING:

31 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING  
32 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL  
33 COMPUTER;

34 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY  
35 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT  
36 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE  
37 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

1 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY  
2 TERMINALS; AND

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

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

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

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

14 (O) "MANUFACTURER" MEANS A PERSON:

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

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

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

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

28 (Q) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY  
29 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

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

33 (S) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR  
34 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT  
35 SYSTEM.

36 (T) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE  
37 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR

1 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE  
2 JACKPOTS.

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

5 (V) "VIDEO LOTTERY DESTINATION LOCATION" MEANS A LOCATION THAT IS  
6 ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER PROVIDED BY LAW A VIDEO  
7 LOTTERY OPERATION LICENSE.

8 (W) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO  
9 HOLDS A LICENSE.

10 (X) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY  
11 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

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

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

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

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

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

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

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

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

34 9-1A-02.

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

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

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

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

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

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

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

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

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

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

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

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

33 9-1A-03.

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

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

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

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

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

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

10 9-1A-04.

11 (A) THE COMMISSION SHALL:

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

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

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

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

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

26 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF  
27 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS  
28 SUBTITLE;

29 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS  
30 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO  
31 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO  
32 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND  
33 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO  
34 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS  
35 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND  
36 PROPER; AND



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

4 (B) THE COMMISSION MAY:

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

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

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

14 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

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

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

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

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

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

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

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

15 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
16 MANAGEMENT CONTROLS;

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

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

27 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE  
28 AND MAINTAIN FINANCIAL VIABILITY;

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

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

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

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

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

3 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY  
4 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS  
5 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

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

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

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

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

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

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

31 9-1A-05.

32 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
33 UNDER § 9-1A-36 OF THIS SUBTITLE MAY ISSUE NO MORE THAN FOUR VIDEO  
34 LOTTERY OPERATION LICENSES.

35 (B) AN OWNER OR OPERATOR OF A VIDEO LOTTERY DESTINATION LOCATION  
36 DESCRIBED UNDER § 9-1A-01 OF THIS SUBTITLE MAY SUBMIT AN APPLICATION FOR A  
37 VIDEO LOTTERY OPERATION LICENSE.

1 (C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A  
2 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE VIDEO  
3 LOTTERY DESTINATION LOCATION AT THE TIME THE LICENSE IS ISSUED.

4 (D) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR  
5 BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER, DIRECTOR,  
6 PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR BENEFICIAL OWNER  
7 OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER PROVISIONS OF  
8 THIS SUBTITLE, INCLUDING A PERSON HAVING ANY OWNERSHIP INTEREST  
9 REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

10 (2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST  
11 IN MORE THAN ONE VIDEO LOTTERY FACILITY.

12 9-1A-06.

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

14 (1) A VIDEO LOTTERY OPERATOR;

15 (2) A MANUFACTURER;

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

20 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

1 9-1A-07.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION  
34 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE  
35 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION  
36 PURPOSES.

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

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

9           (7)    APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,  
10 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING  
11 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

12                   (I)    THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
13 OF THE APPLICANT OR LICENSEE;

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

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

19                   (IV)   SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
20 APPLICANT OR LICENSEE.

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

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

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

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

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

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

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

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

16 9-1A-08.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

3 9-1A-09.

4 (A) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§ 9-1A-28 AND  
5 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN  
6 THE STATE SHALL MAINTAIN AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS  
7 WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN  
8 2005 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER  
9 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

10 (B) (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT  
11 PIMLICO RACE COURSE AND LAUREL PARK SHALL BE INELIGIBLE FOR FUNDING  
12 UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE IF THE NAME, COMMON LAW AND  
13 STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE  
14 RACING EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE  
15 WOODLAWN VASE ARE TRANSFERRED TO A LOCATION OUTSIDE THE STATE.

16 (2) AS AN ADDITIONAL CONDITION OF ELIGIBILITY FOR FUNDING  
17 UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, IF THE LICENSEE DESCRIBED IN  
18 PARAGRAPH (1) OF THIS SUBSECTION ALSO HOLDS THE RACING LICENSE FOR THE  
19 PIMLICO RACE COURSE, THAT LICENSEE SHALL BE REQUIRED TO:

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

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

28 (C) AS AN ADDITIONAL CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§  
29 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF THE RACING LICENSE FOR  
30 LAUREL PARK SHALL PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE  
31 RUN ANNUALLY AT LAUREL PARK UNLESS:

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

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

36 (D) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE  
37 SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE  
38 THE QUALITY AND MARKETING OF HORSE RACING AT ANY RACETRACK LOCATION  
39 OWNED OR OPERATED BY THE LICENSEE.

1 (2) EACH PLAN SHALL INCLUDE:

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

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

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

9 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE  
10 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$1,500,000  
11 ANNUALLY.

12 (3) (I) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §  
13 9-1A-28 OF THIS SUBTITLE, HOLDERS OF A LICENSE ISSUED BY THE RACING  
14 COMMISSION SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE  
15 QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND.

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

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

27 (F) THE PLANS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION SHALL  
28 ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE  
29 POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

30 9-1A-10.

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

36 (2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE  
37 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN  
38 THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT

1 SHALL MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS  
2 TO THE EXTENT POSSIBLE.

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

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

12 (5) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
13 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS  
14 EMPLOYEES.

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

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

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

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

26 (C) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED  
27 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR  
28 AFTER JULY 1, 2008.

29 9-1A-11.

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

33 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A  
34 LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT THE  
35 LOCATION FOR WHICH THE VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED  
36 WITHIN 24 MONTHS AFTER THE LICENSE IS ISSUED.

37 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT  
38 EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A

1 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE  
2 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY  
3 ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE  
4 REQUIREMENTS.

5 (II) THE COMMISSION MAY NOT GRANT MORE THAN ONE  
6 EXTENSION TO A LICENSEE UNDER THIS PARAGRAPH.

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

10 (C) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
11 ESTABLISHED UNDER § 9-1A-36 OF THIS SUBTITLE MAY REISSUE A VIDEO LOTTERY  
12 OPERATION LICENSE THAT IS REVOKED OR SURRENDERED.

13 (2) IN REISSUING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO  
14 LOTTERY FACILITY LOCATION COMMISSION SHALL UTILIZE THE CRITERIA  
15 OUTLINED IN THIS SUBTITLE.

16 9-1A-12.

17 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER  
18 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE  
19 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY  
20 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE  
21 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL  
22 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND  
23 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO  
24 LOTTERY OPERATION LICENSEES.

25 9-1A-13.

26 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15  
27 YEARS.

28 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,  
29 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE  
30 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE  
31 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM  
32 REQUIRED BY THE COMMISSION.

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

36 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY  
37 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF  
38 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

3 9-1A-14.

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

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

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

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

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

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

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

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

28 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A  
29 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER  
30 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A  
31 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL  
32 TO THE POLICIES OF THIS SUBTITLE;

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

37 (8) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS  
38 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE

1 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY  
2 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES  
3 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO  
4 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

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

7 9-1A-15.

8 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE  
9 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR  
10 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,  
11 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT  
12 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS  
13 SUBTITLE.

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

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

22 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED  
23 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE  
24 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER  
25 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.  
26 9-1A-16.

27 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A  
28 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A  
29 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE  
30 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,  
31 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS  
32 SUBTITLE, THE COMMISSION MAY:

33 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;  
34 AND

35 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN  
36 ANOTHER STATE.

37 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE  
38 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR  
39 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF

1 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL  
2 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO  
3 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY  
4 THIS SUBTITLE.

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

8 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR  
9 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;  
10 AND

11 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR  
12 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION  
13 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A  
14 CONDITION OF THE WAIVER OR EXEMPTION.

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

17 9-1A-17.

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

21 (1) PROPER APPLICATION FOR RENEWAL; AND

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

24 9-1A-18.

25 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY  
26 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE  
27 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO  
28 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A  
29 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED  
30 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE  
31 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND  
32 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF  
33 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE  
34 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

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

37 (1) PRECLUDE:



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

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

5 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
6 SUBTITLE; AND

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

10 9-1A-19.

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

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

13 (2) PLEDGED AS COLLATERAL.

14 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN  
15 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

16 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED  
17 SALE OR TRANSFER; AND

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

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

25 9-1A-20.

26 (A) THE DEPARTMENT OF STATE POLICE SHALL:

27 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN  
28 A TIMELY MANNER; AND

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

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

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

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

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

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

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

14 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE  
15 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY  
16 RECORDS CHECK.

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

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

25 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN  
26 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE  
27 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

28 9-1A-21.

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

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

32 (2) UNDER THE CONTROL OF THE COMMISSION.

33 (B) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE  
34 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO  
35 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT  
36 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF

1 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL  
2 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

3 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE  
4 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS  
5 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
6 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
7 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
8 TERMINALS.

9 9-1A-22.

10 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
11 UNDER § 9-1A-36 OF THIS SUBTITLE MAY AWARD UP TO 9,500 VIDEO LOTTERY  
12 TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

13 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD  
14 MORE THAN 3,500 TERMINALS FOR OPERATION AT ANY VIDEO LOTTERY FACILITY.

15 9-1A-23.

16 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS  
17 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL  
18 PAYOUT PERCENTAGE OF AT LEAST 90%.

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

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

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

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

29 (D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH THE  
30 COMMISSION MAY BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN THE  
31 STATE.

32 9-1A-24.

33 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION  
34 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION  
35 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 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  
29 UNDER § 9-1A-27 OF 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  
34 UNDER § 9-1A-27 OF 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) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A VIDEO  
11 LOTTERY DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM THE  
12 PROCEEDS OF VIDEO LOTTERY TERMINALS:

13 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
14 COMMISSION, TO THE LICENSEE, THE PERCENTAGE STATED IN THE ACCEPTED BID  
15 FOR THE LOCATION, NOT TO EXCEED 30%;

16 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
17 COMMISSION, 15% IN LOCAL DEVELOPMENT GRANTS TO ALL COUNTIES AND  
18 BALTIMORE CITY, BASED ON THAT COUNTY'S OR BALTIMORE CITY'S PERCENTAGE OF  
19 OVERALL LOTTERY SALES IN THE PREVIOUS FISCAL YEAR;

20 (3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, ON A PROPERLY  
21 APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 3% IN LOCAL IMPACT  
22 GRANTS SHALL BE PROVIDED TO THE LOCAL JURISDICTIONS WITH VIDEO LOTTERY  
23 FACILITIES, BASED ON THAT JURISDICTION'S PERCENTAGE OF OVERALL GROSS  
24 REVENUES FROM VIDEO LOTTERY TERMINALS;

25 (4) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
26 COMMISSION, 9% SHALL BE PROVIDED TO THE PURSE DEDICATION ACCOUNT  
27 ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE, NOT TO EXCEED \$100,000,000  
28 ANNUALLY;

29 (5) FOR THE FIRST 5 YEARS OF VIDEO LOTTERY TERMINAL OPERATION,  
30 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 3%  
31 SHALL BE PROVIDED TO THE RACETRACK FACILITY RENEWAL ACCOUNT  
32 ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE, NOT TO EXCEED \$40,000,000  
33 ANNUALLY; AND

34 (6) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED  
35 UNDER § 9-1A-30 OF THIS SUBTITLE.

36 (C) IF A VIDEO LOTTERY OPERATION LICENSE IS AWARDED TO LAUREL PARK  
37 IN ANNE ARUNDEL COUNTY, THE LOCAL IMPACT GRANT PROVIDED TO ANNE  
38 ARUNDEL COUNTY UNDER SUBSECTION (B)(3) OF THIS SECTION SHALL BE  
39 DISTRIBUTED IN THE FOLLOWING MANNER:

- 1 (1) 73% TO ANNE ARUNDEL COUNTY;
- 2 (2) 17% TO HOWARD COUNTY; AND
- 3 (3) 10% TO THE CITY OF LAUREL.

4 (D) FOR A VIDEO LOTTERY FACILITY THAT IS A VIDEO LOTTERY DESTINATION  
5 LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% OF  
6 THE GROSS PROCEEDS IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL  
7 OPERATION OR LESS THAN 4.3% OF THE GROSS PROCEEDS IN THE SECOND YEAR OF  
8 VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY AMOUNT  
9 NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE PAID TO THE  
10 EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

11 (E) OF THE AMOUNT SPECIFIED IN SUBSECTION (B)(2) OF THIS SECTION, AT  
12 LEAST 45% OF THE AMOUNT FOR BALTIMORE CITY SHALL BE UTILIZED FOR CAPITAL  
13 PROJECTS BENEFITTING ECONOMIC AND COMMUNITY DEVELOPMENT IN THE  
14 FOLLOWING MANNER:

15 (1) AT LEAST 75% CONSISTENT WITH THE PARK HEIGHTS MASTER PLAN;  
16 AND

17 (2) THE REMAINDER CONSISTENT WITH NEEDS IDENTIFIED BY THE  
18 BALTIMORE CITY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN  
19 THE AREA LOCATED WITHIN 1 MILE OF PIMLICO RACE COURSE, BUT NOT WITHIN  
20 THE BOUNDARIES OF THE PARK HEIGHTS MASTER PLAN.

21 9-1A-28.

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

24 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §  
25 9-1A-27 OF THIS SUBTITLE.

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

28 (3) THE COMPTROLLER SHALL:

29 (I) ACCOUNT FOR THE FUND; AND

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

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



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

4 (C) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE STATE  
5 RACING COMMISSION SHALL ALLOCATE THE FUNDS IN THE ACCOUNT EACH YEAR AS  
6 FOLLOWS:

7 (1) 80% TO THE THOROUGHBRED INDUSTRY; AND

8 (2) 20% TO THE STANDARD BRED INDUSTRY.

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

11 (1) 85% TO THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE,  
12 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE TIMONIUM RACE  
13 COURSE; AND

14 (2) 15% TO THE MARYLAND-BRED RACE FUND.

15 (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AND  
16 THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

17 (1) 85% TO STANDARD BRED PURSES AT ROSECROFT RACEWAY, OCEAN  
18 DOWNS RACETRACK, AND THE RACECOURSE IN ALLEGANY COUNTY; AND

19 (2) 15% TO THE STANDARD BRED RACE FUND.

20 (F) FROM THE AMOUNT PROVIDED TO THOROUGHBRED PURSES, THE RACING  
21 COMMISSION SHALL PAY AN ANNUAL GRANT OF \$100,000 TO FAIR HILL, AS DEFINED  
22 UNDER § 11-811 OF THE BUSINESS REGULATION ARTICLE.

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

26 (H) IF THE RACING COMMISSION DECIDES THAT A RACETRACK LICENSEE  
27 DOES NOT MEET THE REQUIREMENTS SET FORTH FOR CAPITAL IMPROVEMENTS OR  
28 OTHER EVALUATION CRITERIA DEVELOPED BY THE COMMISSION, THE COMMISSION  
29 SHALL REDUCE PURSE ALLOTMENTS BY AT LEAST 25%.

30 9-1A-29.

31 (A) THERE IS A RACETRACK FACILITY RENEWAL ACCOUNT UNDER THE  
32 AUTHORITY OF THE STATE RACING COMMISSION.

33 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §  
34 9-1A-27 OF THIS SUBTITLE.

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

3           (3)     THE COMPTROLLER SHALL:

4           (I)     ACCOUNT FOR THE FUND; AND

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

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

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

13    (C)     FUNDS FROM THE ACCOUNT SHALL BE USED TO PROVIDE A GRANT TO  
14 THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN THE STATE FOR  
15 RACETRACK FACILITY CAPITAL CONSTRUCTION AND IMPROVEMENTS.

16    (D)     THE AMOUNT OF FUNDS MADE AVAILABLE FROM THE RACETRACK  
17 FACILITY RENEWAL ACCOUNT SHALL BE ALLOCATED AS FOLLOWS:

18          (1)     80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND THE  
19 TIMONIUM RACE COURSE; AND

20          (2)     20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACETRACK.

21    (E)     IN ORDER TO OBTAIN A GRANT, A HOLDER OF A LICENSE TO HOLD A RACE  
22 MEETING IN THE STATE SHALL:

23          (1)     SUBMIT A CAPITAL CONSTRUCTION PLAN TO BE IMPLEMENTED  
24 WITHIN A SPECIFIED TIME FRAME TO THE STATE RACING COMMISSION FOR  
25 APPROVAL; AND

26          (2)     EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION,  
27 PROVIDE AND EXPEND A MATCHING FUND.

28    (F)     (1)     OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY  
29 RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, \$1,000,000 SHALL  
30 BE PROVIDED ANNUALLY FOR 5 YEARS TO THE TIMONIUM RACE COURSE FOR  
31 RACETRACK FACILITY CAPITAL CONSTRUCTION AND IMPROVEMENTS.

32          (2)     A MATCHING FUND IS NOT REQUIRED FOR THE AMOUNT PROVIDED  
33 FOR THE TIMONIUM RACE COURSE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

34    (G)     AFTER A GRANT HAS BEEN PROVIDED UNDER THIS SECTION, THE STATE  
35 RACING COMMISSION SHALL:

1 (1) MONITOR THE IMPLEMENTATION OF THE APPROVED CAPITAL  
2 CONSTRUCTION PLAN; AND

3 (2) MAKE PROVISIONS FOR RECAPTURE OF THE GRANT MONEYS IF THE  
4 CAPITAL CONSTRUCTION PLAN IS NOT IMPLEMENTED WITHIN THE TIME FRAME  
5 APPROVED BY THE STATE RACING COMMISSION.

6 (H) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO  
7 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS TO  
8 ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE MADE BY  
9 THE HOLDER OF A LICENSE.

10 (I) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO  
11 THE RACECOURSE IN ALLEGANY COUNTY.

12 9-1A-30.

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

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

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

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

22 (1) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND  
23 PROVIDE PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301  
24 THROUGH 5-303 OF THE EDUCATION ARTICLE; AND

25 (2) PROVIDE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF  
26 EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE.

27 (D) IN ESTABLISHING PRIORITIES FOR THE FUNDING OF CONSTRUCTION AND  
28 RENOVATION NEEDS FOR PUBLIC SCHOOLS PROVIDED UNDER SUBSECTION (C)(1) OF  
29 THIS SECTION, THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION  
30 ESTABLISHED UNDER § 5-302 OF THE EDUCATION ARTICLE SHALL GIVE THE  
31 HIGHEST PRIORITY TO PROJECTS THAT ADDRESS PUBLIC SCHOOL FACILITY  
32 DEFICIENCIES IDENTIFIED IN THE 2004 FINAL REPORT OF THE TASK FORCE TO  
33 STUDY PUBLIC SCHOOL FACILITIES, PARTICULARLY DEFICIENCIES THAT AFFECT  
34 HEALTH AND SAFETY AND STUDENT ACHIEVEMENT.

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

1 9-1A-31.

2 (A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, LOCAL IMPACT  
3 GRANTS PROVIDED UNDER § 9-1A-27(B)(3) OF THIS SUBTITLE MAY BE USED FOR THE  
4 FOLLOWING PURPOSES:

5 (I) INFRASTRUCTURE IMPROVEMENTS;

6 (II) FACILITIES;

7 (III) PUBLIC SAFETY;

8 (IV) SANITATION;

9 (V) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING  
10 HOUSING; AND

11 (VI) OTHER PUBLIC SERVICES AND IMPROVEMENTS.

12 (2) LOCAL IMPACT GRANTS PROVIDED UNDER § 9-1A-27(B)(3) OF THIS  
13 SUBTITLE TO COUNTIES WITH VIDEO LOTTERY OPERATION FACILITIES SHALL BE  
14 USED FOR IMPROVEMENTS IN THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE  
15 FACILITIES.

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

18 (2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE  
19 FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN  
20 WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH  
21 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES  
22 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY  
23 COUNCILS, OR COUNTY COMMISSIONERS:

24 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE  
25 FACILITY IS LOCATED;

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

28 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION  
29 LICENSEE;

30 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE  
31 PROXIMITY TO THE FACILITY; AND

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

34 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL IMPACT GRANT FUNDS  
35 PROVIDED UNDER § 9-1A-27(B)(3) OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A

1 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL IMPACT GRANT FUNDS FOR  
2 SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF THIS  
3 SECTION.

4 (2) A COUNTY WITH A VIDEO LOTTERY FACILITY SHALL CONSULT WITH  
5 THE LOCAL DEVELOPMENT COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS  
6 SECTION IN DEVELOPING THE PLAN REQUIRED UNDER THIS SUBSECTION.

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

10 (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY  
11 ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND  
12 PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

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

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

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

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

25 (E) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS  
26 SUBSECTION, A COUNTY THAT RECEIVES A LOCAL IMPACT GRANT UNDER THIS  
27 SUBTITLE SHALL ALLOCATE AT LEAST 10% OF THE GRANT FUNDS EACH YEAR TO THE  
28 COUNTY'S ECONOMIC DEVELOPMENT OFFICE TO PROVIDE GRANTS TO SMALL,  
29 MINORITY, AND WOMEN-OWNED BUSINESSES IN THE COUNTY.

30 (2) THE GRANTS PROVIDED UNDER THIS SUBSECTION SHALL PROVIDE  
31 INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN-OWNED  
32 BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON COMMUNITIES THAT MAY  
33 SURROUND A VIDEO LOTTERY FACILITY.

34 9-1A-32.

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

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

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

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

3 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,  
4 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §  
5 9-1A-31 OF THIS SUBTITLE; AND

6 (II) APPROVED BY THE MARYLAND DEPARTMENT OF  
7 TRANSPORTATION.

8 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE  
9 PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT IF MASS  
10 TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE  
11 A VIDEO LOTTERY FACILITY IS LOCATED.

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

15 9-1A-33.

16 (A) THE COMMISSION SHALL:

17 (1) ESTABLISH AN ANNUAL FEE OF \$700, TO BE PAID BY EACH VIDEO  
18 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED  
19 BY THE LICENSEE DURING THE YEAR; AND

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

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

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

28 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED  
29 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL  
30 ACCRUE TO THE FUND.

31 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE  
32 MADE ONLY:

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

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

1   2.         DEVELOP AND IMPLEMENT PROBLEM GAMBLING  
2 PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE  
3 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

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

8 9-1A-34.

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

11                   (1)        ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY  
12 FACILITIES; AND

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

16 9-1A-35.

17         FOR A PERIOD OF 1 YEAR AFTER THE INDIVIDUAL'S SERVICE ON THE STATE  
18 LOTTERY COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
19 ENDS, A LICENSEE MAY NOT EMPLOY, OR ENTER INTO A FINANCIAL RELATIONSHIP  
20 WITH, AN INDIVIDUAL WHO HAS BEEN A MEMBER OF THE STATE LOTTERY  
21 COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

22   **Article - State Finance and Procurement**

23 11-203.

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

26                   (1)        procurement by:

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

31   (xix)     the Maryland Developmental Disabilities Administration of the  
32 Department of Health and Mental Hygiene for family and individual support services,  
33 and individual family care services, as those terms are defined by the Department of  
34 Health and Mental Hygiene in regulation; AND

35   (XX)     THE STATE LOTTERY AGENCY FOR NEGOTIATING AND  
36 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,

1 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS, EXCEPT THAT THE  
2 REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION UNDER TITLE 14,  
3 SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY;

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

6 **Article - State Government**

7 9-1A-36.

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

9 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION CONSISTS OF  
10 SEVEN MEMBERS.

11 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE  
12 PRESIDENT OF THE SENATE;

13 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER  
14 OF THE HOUSE OF DELEGATES;

15 (III) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE  
16 GOVERNOR; AND

17 (IV) ONE OF THE MEMBERS SHALL BE AN APPOINTEE OF THE STATE  
18 TREASURER.

19 (3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS  
20 SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY  
21 OF THE POPULATION OF THE STATE.

22 (4) THE APPOINTEE OF THE STATE TREASURER SHALL BE THE  
23 CHAIRMAN OF THE COMMISSION;

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

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

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

27 (3) SHALL BE A RESIDENT OF THE STATE;

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

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

32 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR  
33 ECONOMICS; OR



1 (III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS  
2 A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR  
3 ECONOMICS;

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

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

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

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

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

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

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

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

25 (E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE  
26 SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION  
27 COMMISSION.

28 (2) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL CONTRACT  
29 WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS SUBSTANTIAL  
30 EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE GAMING INDUSTRY TO  
31 ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION COMMISSION IN THE  
32 REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS SECTION.

33 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT  
34 MORE THAN FOUR VIDEO LOTTERY OPERATION LICENSES TO QUALIFIED BIDDERS,  
35 THROUGH COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE STATE FINANCE AND  
36 PROCUREMENT ARTICLE.

1 (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD  
2 MORE THAN ONE VIDEO LOTTERY FACILITY OPERATION LICENSE IN A SINGLE  
3 COUNTY OR BALTIMORE CITY.

4 (H) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE FOR A  
5 VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION, A PROPOSED VIDEO  
6 LOTTERY FACILITY SHALL BE LOCATED IN ONE OF THE FOLLOWING COUNTIES:

7 (1) A LOCATION WITH NOT MORE THAN 3,500 VIDEO LOTTERY  
8 TERMINALS IN ANNE ARUNDEL COUNTY, WITHIN 2 MILES OF INTERSTATE 295;

9 (2) A LOCATION WITH NOT MORE THAN 2,500 VIDEO LOTTERY  
10 TERMINALS IN FREDERICK COUNTY, WITHIN 5 MILES OF THE INTERSECTION OF  
11 INTERSTATE 270 AND INTERSTATE 70;

12 (3) A LOCATION WITH NOT MORE THAN 2,500 VIDEO LOTTERY  
13 TERMINALS IN HARFORD COUNTY, WITHIN 2 MILES OF INTERSTATE 95; OR

14 (4) A LOCATION WITH NOT MORE THAN 1,000 VIDEO LOTTERY  
15 TERMINALS ON STATE PROPERTY ASSOCIATED WITH THE ROCKY GAP LODGE AND  
16 GOLF RESORT IN ALLEGANY COUNTY.

17 (I) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE AT A  
18 VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION SHALL BE  
19 SUBMITTED BY OCTOBER 1, 2006, AND SHALL INCLUDE AN INITIAL LICENSE FEE IN  
20 THE BID OF AT LEAST \$10,000,000.

21 (2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE  
22 SHALL ACCRUE TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF  
23 THIS SUBTITLE.

24 (3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE  
25 UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$15,000,000 IN DIRECT  
26 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH  
27 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE  
28 PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS  
29 CONTAINED IN THE BID.

30 (J) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO  
31 LOTTERY FACILITY LOCATION COMMISSION SHALL EVALUATE THE FACTORS UNDER  
32 THIS SUBSECTION IN THE MANNER SPECIFIED.

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

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

1 (II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION  
2 BASED ON A MARKET ANALYSIS;

3 (III) THE EXTENT TO WHICH THE PROPOSED LOCATION  
4 ENCOURAGES MARYLAND GAMING PARTICIPANTS TO REMAIN IN THE STATE;

5 (IV) THE EXTENT TO WHICH THE PROPOSED LOCATION  
6 DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND  
7 NATIONAL TOURIST DESTINATION;

8 (V) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED TO THE  
9 OPERATOR OVER THE TERM OF THE LICENSE;

10 (VI) THE PERCENTAGE OF OWNERSHIP BY ENTITIES MEETING THE  
11 DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF  
12 THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

13 (VII) THE EXTENT TO WHICH THE PROPOSED LOCATION WILL  
14 PRESERVE EXISTING MARYLAND JOBS AND THE NUMBER OF NET NEW JOBS TO BE  
15 CREATED.

16 (3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION  
17 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON  
18 ECONOMIC DEVELOPMENT FACTORS, INCLUDING:

19 (I) THE ANTICIPATED WAGES AND BENEFITS FOR NEW JOBS TO BE  
20 CREATED; AND

21 (II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE  
22 AREA OF THE PROPOSED FACILITY.

23 (4) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION  
24 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON  
25 LOCATION SITING FACTORS, INCLUDING:

26 (I) THE EXISTING TRANSPORTATION INFRASTRUCTURE  
27 SURROUNDING THE PROPOSED FACILITY LOCATION;

28 (II) THE NEGATIVE IMPACT, IF ANY, OF A PROPOSED FACILITY  
29 LOCATION ON THE SURROUNDING RESIDENTIAL COMMUNITY; AND

30 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE  
31 EXPENDITURES AT THE PROPOSED FACILITY.

32 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD  
33 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT  
34 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

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

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

8 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY  
9 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
10 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO  
11 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

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

15 (N) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY OPERATION LICENSE  
16 UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE AND  
17 PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT APPEALS OF  
18 THE AWARDED OF THE VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO  
19 LOTTERY FACILITY LOCATION COMMISSION.

20 (O) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE  
21 VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL FOUR VIDEO  
22 LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

23 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,  
24 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO  
25 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY  
26 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID  
27 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS  
28 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

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

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

1 **Article - State Finance and Procurement**

2 11-203.

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

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

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

21 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by  
22 the Board of Public Works under § 14-303(b) of the State Finance and Procurement  
23 Article of the Annotated Code of Maryland, in consultation with the General  
24 Assembly and the Office of the Attorney General, shall initiate two studies of the  
25 requirements of § 9-1A-10 of the State Government Article of the Annotated Code of  
26 Maryland, as enacted by Section 1 of this Act, that evaluate the continued compliance  
27 of the requirement with any federal and constitutional requirements. In preparation  
28 for the studies, the State Lottery Commission shall require video lottery operation  
29 license applicants and licensees to provide any information necessary to perform the  
30 study. The studies shall also evaluate race-neutral programs or other methods that  
31 can be used to address the needs of minority investors and minority businesses. A  
32 final report of the first study shall be submitted to the Legislative Policy Committee  
33 on or before December 15, 2006, in accordance with § 2-1246 of the State Government  
34 Article, so that the General Assembly may review the report prior to the 2007 Session.  
35 A final report of the second study shall be submitted to the Legislative Policy  
36 Committee on or before September 30, 2008, in accordance with § 2-1246 of the State  
37 Government Article, so that the General Assembly may review the report in  
38 conjunction with the report of the study on the Minority Business Enterprise Program  
39 prior to the 2009 Session.

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

- 1 (a) one member in 2007;
- 2 (b) one member in 2008; and
- 3 (c) two members in 2009.

4 SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
5 shall take effect June 1, 2006. It shall remain effective for a period of 5 years following  
6 the award of the fourth video lottery operation license and with no further action  
7 required by the General Assembly, Section 2 of this Act shall be abrogated and of no  
8 further force and effect. On award of the fourth video lottery operation license, the  
9 Video Lottery Facility Location Commission, within 5 days after the award, shall  
10 notify in writing the Department of Legislative Services, 90 State Circle, Annapolis,  
11 Maryland 21401.

12 SECTION 10. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
13 shall take effect on the taking effect of the termination provision specified in Section  
14 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination  
15 provision takes effect, Section 3 of this Act shall be abrogated and of no further force  
16 and effect. This Act may not be interpreted to have any effect on that termination  
17 provision.

18 SECTION 11. AND BE IT FURTHER ENACTED, That, subject to Sections 9  
19 and 10 of this Act, this Act shall take effect June 1, 2006.