
By: **Delegate C. Davis**

Introduced and read first time: February 9, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Lottery Commission - Video Lottery Terminals**

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

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

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

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

30 BY adding to
31 Article - Business Regulation
32 Section 11-202(g)
33 Annotated Code of Maryland
34 (2004 Replacement Volume and 2005 Supplement)

35 BY repealing and reenacting, with amendments,
36 Article - Criminal Law
37 Section 12-304
38 Annotated Code of Maryland
39 (2002 Replacement Volume and 2005 Supplement)

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

- 1 (2004 Replacement Volume and 2005 Supplement)
- 2 BY repealing and reenacting, without amendments,
3 Article - Health - General
4 Section 19-801 and 19-802
5 Annotated Code of Maryland
6 (2000 Replacement Volume and 2005 Supplement)
- 7 BY repealing and reenacting, with amendments,
8 Article - Health - General
9 Section 19-803 and 19-804
10 Annotated Code of Maryland
11 (2000 Replacement Volume and 2005 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article - State Government
14 Section 9-103, 9-105, and 9-108(d)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2005 Supplement)
- 17 BY repealing and reenacting, without amendments,
18 Article - State Government
19 Section 9-104
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2005 Supplement)
- 22 BY adding to
23 Article - State Government
24 Section 9-1A-01 through 9-1A-36 to be under the new subtitle "Subtitle 1A.
25 Video Lottery Terminals"
26 Annotated Code of Maryland
27 (2004 Replacement Volume and 2005 Supplement)
- 28 BY repealing and reenacting, with amendments,
29 Article - State Finance and Procurement
30 Section 11-203(a)(1)(xviii) and (xix)
31 Annotated Code of Maryland
32 (2001 Replacement Volume and 2005 Supplement)
- 33 BY adding to
34 Article - State Finance and Procurement
35 Section 11-203(a)(1)(xx)
36 Annotated Code of Maryland

1 (2001 Replacement Volume and 2005 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article - State Finance and Procurement
4 Section 11-203(b)(1) and (2)
5 Annotated Code of Maryland
6 (2001 Replacement Volume and 2005 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article - State Finance and Procurement
9 Section 11-203(b)(3)
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2005 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - State Finance and Procurement
14 Section 11-203(b)(2)
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2005 Supplement)
17 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

20 **Article - Business Regulation**

21 11-202.

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

25 **Article - Criminal Law**

26 12-304.

27 (a) In this section, "eligible organization" means a nonprofit organization that:

28 (1) has been located in [a county listed in subsection (b) of this section]
29 THE STATE for at least 5 years before the organization applies for a license under
30 subsection (e) of this section; and

31 (2) is a bona fide:

32 (i) fraternal organization;

33 (ii) religious organization; or

1 (iii) war veterans' organization.

2 (b) [This section applies in:

3 (1) Caroline County;

4 (2) Cecil County;

5 (3) Dorchester County;

6 (4) Kent County;

7 (5) Queen Anne's County;

8 (6) Somerset County;

9 (7) Talbot County; and

10 (8) Wicomico County.

11 (c)] (1) In this subsection, a console or set of affixed slot machines is not an
12 individual slot machine.

13 (2) Notwithstanding any other provision of this subtitle, an eligible
14 organization may own and operate a slot machine if the eligible organization:

15 (i) obtains a license under subsection (e) of this section for each slot
16 machine;

17 (ii) owns each slot machine that the eligible organization operates;

18 (iii) owns not more than five slot machines;

19 (iv) locates and operates its slot machines at its principal meeting
20 hall in the county in which the eligible organization is located;

21 (v) does not locate or operate its slot machines in a private
22 commercial facility;

23 (vi) uses:

24 1. at least one-half of the proceeds from its slot machines for
25 the benefit of a charity; and

26 2. the remainder of the proceeds from its slot machines to
27 further the purposes of the eligible organization;

28 (vii) does not use any of the proceeds of the slot machine for the
29 financial benefit of an individual; and

30 (viii) reports annually under affidavit to the State Comptroller:

- 1 1. the income of each slot machine; and
- 2 2. the disposition of the income from each slot machine.

3 [(d)] (C) An eligible organization may not use or operate a slot machine
4 unless:

5 (1) the slot machine is equipped with a tamperproof meter or counter
6 that accurately records gross receipts; and

7 (2) the eligible organization keeps an accurate record of the gross
8 receipts and payoffs of the slot machine.

9 [(e)] (D) (1) Before an eligible organization may operate a slot machine
10 under this section, the eligible organization shall obtain a license for the slot machine
11 from the sheriff of the county in which the eligible organization plans to locate the
12 slot machine.

13 (2) (i) The county shall:

14 1. charge an annual fee of \$50 for each license for a machine;
15 and

16 2. issue a license sticker to the applicant.

17 (ii) The applicant shall place the sticker on the slot machine.

18 (iii) The proceeds of the annual fee shall be transferred to the
19 general fund of the county.

20 (3) In the application to the sheriff for a license, one of the principal
21 officers of the eligible organization shall certify under affidavit that the organization:

22 (i) is an eligible organization; and

23 (ii) will comply with this section.

24 [(f)] (E) (1) A principal officer of the eligible organization may not
25 intentionally misrepresent a statement of fact on the application.

26 (2) A person who violates this subsection is guilty of perjury and on
27 conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.

28 **Article - Education**

29 5-202.

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

32 (i) 0.000 in Allegany;

- 1 (ii) 0.018 in Anne Arundel;
- 2 (iii) 0.042 in Baltimore City;
- 3 (iv) 0.008 in Baltimore;
- 4 (v) 0.021 in Calvert;
- 5 (vi) 0.000 in Caroline;
- 6 (vii) 0.014 in Carroll;
- 7 (viii) 0.000 in Cecil;
- 8 (ix) 0.020 in Charles;
- 9 (x) 0.000 in Dorchester;
- 10 (xi) 0.024 in Frederick;
- 11 (xii) 0.000 in Garrett;
- 12 (xiii) 0.000 in Harford;
- 13 (xiv) 0.015 in Howard;
- 14 (xv) 0.010 in Kent;
- 15 (xvi) 0.034 in Montgomery;
- 16 (xvii) 0.048 in Prince George's;
- 17 (xviii) 0.011 in Queen Anne's;
- 18 (xix) 0.002 in St. Mary's;
- 19 (xx) 0.000 in Somerset;
- 20 (xxi) 0.000 in Talbot;
- 21 (xxii) 0.000 in Washington;
- 22 (xxiii) 0.000 in Wicomico; and
- 23 (xxiv) 0.000 in Worcester.

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

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

- 4 (i) 0.50 in fiscal year [2006] 2008;
- 5 (ii) 0.62 in fiscal year [2007] 2009;
- 6 (iii) 0.74 in fiscal year [2008] 2010;
- 7 (iv) 0.86 in fiscal year [2009] 2011; and
- 8 (v) 1.00 in fiscal year [2010] 2012 and each fiscal year thereafter.

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

- 13 (i) The numerator of which is the amount provided in the State
14 budget to fund the grants; and
- 15 (ii) The denominator of which is the sum of the amounts calculated
16 under paragraph (3) of this subsection for all the county boards.

17 **Article - Health - General**

18 19-801.

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

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

24 19-802.

25 The General Assembly finds that:

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

1 19-803.

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

5 19-804.

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

13 (i) Inpatient services[.];

14 (ii) Outpatient services[.];

15 (iii) Partial care services[.];

16 (iv) Aftercare services[.];

17 (v) Consultative services[.];

18 (vi) Educational services[.];

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

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

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

23 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND
24 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND
25 PATHOLOGICAL GAMBLING IN MARYLAND.

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

29 (2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC
30 OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE
31 BASIS FOR THE PREVALENCE STUDIES.

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

1 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NOT LESS
2 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO ALLOW COMPARISONS BETWEEN
3 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE
4 STUDIES.

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

7 **Article - State Government**

8 9-103.

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

10 9-104.

11 There is a State Lottery Commission in the Agency.

12 9-105.

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

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

17 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

25 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
26 LOTTERY TERMINALS;

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

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

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

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

3 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

8 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
9 TECHNOLOGY.

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

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

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

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

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

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

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

24 9-108.

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

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

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

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

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

1 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

2 9-1A-01.

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

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

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

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

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

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

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

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

27 (1) INFORMATION RETRIEVAL;

28 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO
29 LOTTERY TERMINALS; AND

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

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

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

34 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
35 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
36 SUBTITLE, INCLUDING:

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

4 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
5 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
6 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
7 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

8 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
9 TERMINALS; AND

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

12 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
13 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
14 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND
15 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
16 ADOPTION, OR NATURAL RELATIONSHIP.

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

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

21 (O) "MANUFACTURER" MEANS A PERSON:

22 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
23 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL
24 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY
25 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
26 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
27 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
28 HOUSED;

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

31 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE
32 SALE, LEASE, OR OTHER ASSIGNMENT OF A PRODUCT DESCRIBED IN ITEM (1) OF THIS
33 SUBSECTION.

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

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

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

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

6 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
7 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
8 SYSTEM.

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

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

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

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

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

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

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

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

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

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

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

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

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

7 9-1A-02.

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

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

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

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

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

18 (I) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
19 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
20 LOTTERY TERMINALS;

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

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

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

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

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

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

4 9-1A-03.

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

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

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

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

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

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

17 9-1A-04.

18 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

5 (II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

6 (III) CONDUCTING INVESTIGATIONS INTO THE OPERATION AND
7 MAINTENANCE OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT
8 AS THE COMMISSION CONSIDERS NECESSARY; AND

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

12 (B) THE COMMISSION MAY:

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

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

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

21 (4) PROPOUND WRITTEN INTERROGATORIES.

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

25 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
26 FOLLOWING SPECIFIC PROVISIONS:

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

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

35 (3) ESTABLISHING THE PROCEDURES FOR:

1 (I) FINGERPRINTING AN APPLICANT FOR ANY LICENSE REQUIRED
2 UNDER THIS SUBTITLE; AND

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

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

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

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

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

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

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

24 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
25 MANAGEMENT CONTROLS;

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

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

36 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE
37 AND MAINTAIN FINANCIAL VIABILITY;

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

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

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

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

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

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

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

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

19 1. VIDEO LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE
20 CONDUCTED;

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

24 3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR
25 MAINTAINED;

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

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

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

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

- 1 1. BOOKS, RECORDS, LEDGERS, CASH BOXES AND THEIR
- 2 CONTENTS;
- 3 2. A COUNTING ROOM OR ITS EQUIPMENT; OR
- 4 3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
- 5 OPERATIONS.

6 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
 7 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
 8 THE COMMISSION.

9 9-1A-05.

10 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED
 11 UNDER § 9-1A-36 OF THIS SUBTITLE MAY NOT ISSUE MORE THAN SIX VIDEO LOTTERY
 12 OPERATION LICENSES.

13 (B) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A
 14 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE
 15 RACETRACK LOCATION OR THE NONRACETRACK DESTINATION LOCATION AT THE
 16 TIME THE LICENSE IS ISSUED.

17 (C) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR
 18 BENEFICIARY OF THE BUSINESS ENTITY, INCLUDING AN OFFICER, DIRECTOR,
 19 PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR BENEFICIAL OWNER
 20 OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER PROVISIONS OF
 21 THIS SUBTITLE, INCLUDES ANY PERCENTAGE OF OWNERSHIP.

22 (2) A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK
 23 LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR
 24 BE AN OWNER OF A BUSINESS ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION
 25 LICENSE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE.

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

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

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

35 9-1A-06.

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

1 (1) A VIDEO LOTTERY OPERATOR;

2 (2) A MANUFACTURER;

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

7 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

23 9-1A-07.

24 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
25 APPLICATION:

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

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

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

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

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

33 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
34 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
35 PERSON'S QUALIFICATIONS.

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

4 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
5 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
6 ISSUED UNDER THIS SUBTITLE.

7 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
8 DUTY TO:

9 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
10 THE COMMISSION; AND

11 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
12 HEARING CONDUCTED BY THE COMMISSION.

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

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

20 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
21 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
22 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
23 PURPOSES.

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

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

32 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
33 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
34 QUALIFICATIONS BY CLEAR AND CONVINCING EVIDENCE:

35 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
36 OF THE APPLICANT OR LICENSEE;

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

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

6 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
7 APPLICANT OR LICENSEE.

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

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

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

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

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

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

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

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

1 9-1A-08.

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

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

7 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES,
8 IF ANY, OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF
9 THE BUSINESS ENTITY;

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

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

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

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

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

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

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

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

33 (11) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING
34 ARRANGEMENTS;

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

36 (13) A LISTING OF STOCK OPTIONS.

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

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

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

11 (C) IN EVALUATING AN APPLICANT FOR A LICENSE, THE COMMISSION SHALL
12 AWARD A BONUS PREFERENCE TO AN APPLICANT AS FOLLOWS:

13 (1) 5 POINTS ON A 100 POINT SCALE FOR ANY PROPOSAL OR BID, IF THE
14 APPLICANT'S PROPOSAL OR BID INCLUDES A JOINT VENTURE WITH INVESTORS THAT
15 QUALIFY AS A MINORITY BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF
16 THE STATE FINANCE AND PROCUREMENT ARTICLE;

17 (2) 5 POINTS ON A 100 POINT SCALE FOR ANY PROPOSAL OR BID, IF THE
18 APPLICANT'S PROPOSAL OR BID INCLUDES A JOINT VENTURE WITH INVESTORS THAT
19 OWN ONE OR MORE LOCAL BUSINESS ENTERPRISES IN THE COMMUNITIES IN CLOSE
20 PROXIMITY TO THE VIDEO LOTTERY FACILITY; AND

21 (3) 2 POINTS ON A 100 POINT SCALE FOR ANY PROPOSAL OR BID, IF THE
22 APPLICANT'S PROPOSAL OR BID INCLUDES A JOINT VENTURE WITH INVESTORS,
23 WHOSE BUSINESS IS LOCATED IN A FEDERAL OR STATE BUSINESS ENTERPRISE
24 ZONE.

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

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

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

35 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
36 QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A LICENSE, TO PROVIDE
37 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
38 OR REQUESTED BY THE COMMISSION;

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

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

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

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

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

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

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

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

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

1 9-1A-09.

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

4 (B) A RACETRACK LOCATION SHALL MAINTAIN, AS A CONDITION OF
5 LICENSURE, AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS WERE
6 AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN 2004
7 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER
8 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

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

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

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

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

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

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

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

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

39 (2) EACH PLAN SHALL INCLUDE:

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

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

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

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

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

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

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

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

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

35 9-1A-10.

36 (A) THIS SECTION APPLIES TO SERVICES CONNECTED WITH THE
37 CONSTRUCTION OF FACILITIES AND PROCUREMENT RELATED TO THE OPERATION
38 OF VIDEO LOTTERY TERMINALS, INCLUDING THE FOLLOWING:

39 (1) ARCHITECTURAL SERVICES;

- 1 (2) ENGINEERING SERVICES;
- 2 (3) CONSTRUCTION MANAGEMENT AND RELATED SERVICES;
- 3 (4) ACCOUNTING SERVICES;
- 4 (5) LEGAL SERVICES;
- 5 (6) MARKETING AND PROMOTION SERVICES;
- 6 (7) INSURANCE SERVICES;
- 7 (8) LEASING CONSULTANT SERVICES;
- 8 (9) SPACE PLANNING SERVICES;
- 9 (10) LEGAL SERVICES;
- 10 (11) TRAINING SERVICES;
- 11 (12) NONPROFESSIONAL SERVICES; AND
- 12 (13) SUPPLIES.

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

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

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

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

32 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY
33 BELIEVES THAT THE APPLICANT HAS BEEN DISCRIMINATED AGAINST IN THE
34 EMPLOYMENT PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION

1 TO THE LOCAL HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE VIDEO
2 LOTTERY FACILITY IS LOCATED.

3 (6) (I) NOTWITHSTANDING ANY COLLECTIVE BARGAINING
4 AGREEMENT OR AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE
5 COVERAGE FOR ITS EMPLOYEES.

6 (II) IF THE LICENSEE IS A RACETRACK LOCATION, THE LICENSEE
7 SHALL PROVIDE HEALTH INSURANCE COVERAGE TO ALL EMPLOYEES OF THE
8 RACETRACK, INCLUDING THE EMPLOYEES ON THE BACKSTRETCH OF THE
9 RACETRACK.

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

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

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

19 (D) ON OR AFTER JULY 1, 2008, THE PROVISIONS OF THIS SECTION AND ANY
20 REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY
21 NOT BE ENFORCED.

22 9-1A-11.

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

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

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

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

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

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

3 9-1A-12.

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

12 9-1A-13.

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

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

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

23 (D) IF A LICENSEE HAS ITS LICENSE REVOKED OR OTHERWISE SURRENDERS
24 THE LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO THE STATE.

25 9-1A-14.

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

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

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

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

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

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

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

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

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

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

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

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

30 9-1A-15.

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

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

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

4 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
5 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
6 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
7 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.

8 9-1A-16.

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

15 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
16 AND

17 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
18 ANOTHER STATE.

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

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

29 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
30 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
31 AND

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

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

38 9-1A-17.

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

4 (1) PROPER APPLICATION FOR RENEWAL; AND

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

7 9-1A-18.

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

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

20 (1) PRECLUDE:

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

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

25 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
26 SUBTITLE; AND

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

30 9-1A-19.

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

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

33 (2) PLEDGED AS COLLATERAL.

34 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN
35 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

1 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED
2 SALE OR TRANSFER; AND

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

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

10 9-1A-20.

11 (A) THE DEPARTMENT OF STATE POLICE SHALL:

12 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
13 A TIMELY MANNER; AND

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

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

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

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

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

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

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

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

35 (3) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-234 OF THE CRIMINAL
36 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE

1 APPLICANT AND THE DEPARTMENT OF STATE POLICE A PRINTED STATEMENT OF
2 THE APPLICANT'S CRIMINAL HISTORY RECORD INFORMATION.

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

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

10 9-1A-21.

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

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

14 (2) UNDER THE CONTROL OF THE COMMISSION.

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

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

27 9-1A-22.

28 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED
29 UNDER § 9-1A-36 OF THIS SUBTITLE MAY AWARD UP TO 13,500 VIDEO LOTTERY
30 TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

31 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL AWARD
32 THE NUMBER OF VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION
33 LICENSEES AS PROVIDED IN THIS SECTION AND § 9-1A-36 OF THIS SUBTITLE.

34 (C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO LOTTERY
35 TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION LOCATIONS AND
36 EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS
37 AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN
38 ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY

1 COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO
2 VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE
3 HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

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

8 (D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE
9 LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A
10 MANNER THAT RESULTS IN MORE THAN 6,000 VIDEO LOTTERY TERMINALS BEING
11 LOCATED IN ANY COUNTY IN THE STATE.

12 (E) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE
13 LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A
14 MANNER THAT RESULTS IN MORE THAN:

15 (1) 3,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR
16 OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

17 (2) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR
18 OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD BY
19 THE SAME INDIVIDUAL OR BUSINESS ENTITY.

20 9-1A-23.

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

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

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

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

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

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

1 9-1A-24.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 9-1A-25.

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

13 (1) THIS SUBTITLE;

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

15 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

22 (I) THE SERIOUSNESS OF THE VIOLATION;

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

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

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

31 9-1A-26.

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

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

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

6 9-1A-27.

7 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
8 TERMINALS:

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

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

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

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

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

26 (I) 73% TO ANNE ARUNDEL COUNTY;

27 (II) 17% TO HOWARD COUNTY; AND

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

29 (3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
30 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
31 SUBTITLE; AND

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

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

6 (5) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
7 COMMISSION, 1.5% TO THE DEPARTMENT OF BUSINESS AND ECONOMIC
8 DEVELOPMENT TO SUPPORT ECONOMIC AND BUSINESS DEVELOPMENT BY
9 PROVIDING INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY-OWNED, AND
10 WOMEN-OWNED BUSINESS IN ECONOMICALLY DISTRESSED COMMUNITIES IN THE
11 STATE; AND

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

14 (C) THE PROCEEDS IDENTIFIED IN SUBSECTION (B)(5) OF THIS SECTION
15 SHALL BE MANAGED BY ONE OR MORE CERTIFIED COMMUNITY DEVELOPMENT
16 FINANCIAL INSTITUTIONS, AS DESIGNATED OR CERTIFIED BY THE UNITED STATES
17 DEPARTMENT OF THE TREASURY, THAT ARE SELECTED BY THE DEPARTMENT OF
18 BUSINESS AND ECONOMIC DEVELOPMENT AND THAT:

19 (1) HAVE PRINCIPAL MANAGERS WHO HAVE AT LEAST 10 YEARS OF
20 EXPERIENCE MAKING EQUITY AND EQUITY TYPE INVESTMENTS IN ECONOMICALLY
21 DISTRESSED COMMUNITIES IN THE STATE;

22 (2) HAVE INVESTED IN SMALL, MINORITY-OWNED, AND
23 WOMEN-OWNED BUSINESSES IN ECONOMICALLY DISTRESSED COMMUNITIES IN
24 THE STATE FOR AT LEAST 5 YEARS; AND

25 (3) HAVE INVESTED AT LEAST 75% OF THEIR INVESTMENT PORTFOLIOS
26 IN EQUITY, NEAR EQUITY, AND PATIENT CAPITAL INVESTMENTS THAT CREATE AND
27 RETAIN JOBS FOR RESIDENTS OF ECONOMICALLY DISTRESSED COMMUNITIES IN
28 THE STATE.

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

34 (1) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF
35 THIS SUBTITLE; AND

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

1 9-1A-28.

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

4 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
5 9-1A-27 OF THIS SUBTITLE.

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

8 (3) THE COMPTROLLER SHALL:

9 (I) ACCOUNT FOR THE FUND; AND

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

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

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

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

21 (1) 80% TO THE THOROUGHBRED INDUSTRY; AND

22 (2) 20% TO THE STANDARD BRED INDUSTRY.

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

25 (1) 85% TO THOROUGHBRED PURSES AT THE PIMLICO RACECOURSE,
26 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN
27 TIMONIUM; AND

28 (2) 15% TO THE MARYLAND-BRED RACE FUND.

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

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

1 (G) (1) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM
2 THE FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO THE
3 MARYLAND HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF
4 THE BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE FUNDS UNDER
5 SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO THE MARYLAND STANDARD BRED
6 HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF THE
7 BUSINESS REGULATION ARTICLE.

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

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

14 (I) NEED;

15 (II) DOCUMENTED MARYLAND RESIDENCY; AND

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

18 9-1A-29.

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

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

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

25 (3) THE COMPTROLLER SHALL:

26 (I) ACCOUNT FOR THE FUND; AND

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

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

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

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

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

6 (1) 80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND THE
7 RACECOURSE AT TIMONIUM; AND

8 (2) 20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE COURSE.

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

11 (1) SUBMIT A CAPITAL CONSTRUCTION PLAN TO BE IMPLEMENTED
12 WITHIN A SPECIFIED TIME FRAME TO THE STATE RACING COMMISSION FOR
13 APPROVAL; AND

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

16 (F) (1) OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY
17 RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, \$1,000,000 SHALL
18 BE PROVIDED ANNUALLY FOR 5 YEARS TO THE RACECOURSE AT TIMONIUM FOR
19 RACETRACK FACILITY CAPITAL CONSTRUCTION AND IMPROVEMENTS.

20 (2) A MATCHING FUND IS NOT REQUIRED FOR THE AMOUNT PROVIDED
21 FOR THE RACECOURSE AT TIMONIUM UNDER PARAGRAPH (1) OF THIS SUBSECTION.

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

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

26 (2) MAKE PROVISIONS FOR RECAPTURE OF THE GRANT MONIES IF THE
27 CAPITAL CONSTRUCTION PLAN IS NOT IMPLEMENTED WITHIN THE TIME FRAME
28 APPROVED BY THE STATE RACING COMMISSION.

29 (H) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO
30 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS TO
31 ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE MADE BY
32 THE HOLDER OF A LICENSE.

33 (I) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO
34 THE RACECOURSES IN ALLEGANY COUNTY.

1 9-1A-30.

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

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

7 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
8 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO
9 THE FUND.

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

11 (1) (I) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS
12 FOR THE FIRST 3 YEARS OF VIDEO LOTTERY TERMINAL OPERATIONS; AND

13 (II) THEREAFTER, PROVIDE PUBLIC SCHOOL CAPITAL
14 IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH 5-303 OF THE EDUCATION
15 ARTICLE; AND

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

18 (D) IN ESTABLISHING PRIORITIES FOR THE FUNDING OF CONSTRUCTION AND
19 RENOVATION NEEDS OF PUBLIC SCHOOLS PROVIDED UNDER SUBSECTION (C)(1) OF
20 THIS SECTION, THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION
21 ESTABLISHED UNDER § 5-302 OF THE EDUCATION ARTICLE SHALL GIVE THE
22 HIGHEST PRIORITY TO PROJECTS THAT ADDRESS PUBLIC SCHOOL FACILITY
23 DEFICIENCIES IDENTIFIED IN THE 2004 FINAL REPORT OF THE TASK FORCE TO
24 STUDY PUBLIC SCHOOL FACILITIES, PARTICULARLY DEFICIENCIES THAT AFFECT
25 HEALTH AND SAFETY AND STUDENT ACHIEVEMENT.

26 (E) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR 2007
27 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2014, \$150,000,000
28 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF PUBLIC SCHOOL
29 CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A PAY-AS-YOU-GO BASIS.

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

32 9-1A-31.

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

37 (1) INFRASTRUCTURE IMPROVEMENTS;

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

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

9 GEOGRAPHIC AREA WHERE A VIDEO LOTTERY FACILITY IS LOCATED.

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

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

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

13 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES

14 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY

15 COUNCILS, OR COUNTY COMMISSIONERS:

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

17 FACILITY IS LOCATED;

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

19 COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

20 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION

21 LICENSEE;

22 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE

23 PROXIMITY TO THE FACILITY; AND

24 (V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS

25 LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

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

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

28 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT

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

30 THIS SECTION.

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

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

33 THE PLAN REQUIRED UNDER THIS SUBSECTION.

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

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

36 ANY GRANT FUNDS.

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

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

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

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

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

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

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

22 (II) AT LEAST 75% OF ITS ENTIRE INVESTMENT PORTFOLIO IN
23 EQUITY AND NEAR EQUITY TYPES OF INVESTMENTS MADE FOR THE PURPOSE OF
24 CREATING AND RETAINING JOBS IN ECONOMICALLY DISTRESSED COMMUNITIES IN
25 THE STATE.

26 (2) THE FUNDS PROVIDED TO ELIGIBLE CERTIFIED COMMUNITY
27 DEVELOPMENT FINANCIAL INSTITUTIONS UNDER THIS SUBSECTION SHALL BE USED
28 TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND
29 WOMEN-OWNED BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON
30 ECONOMICALLY DISTRESSED COMMUNITIES IN THE COUNTY AND COMMUNITIES
31 SURROUNDING THE VIDEO LOTTERY FACILITY.

32 9-1A-32.

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

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

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

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

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

4 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
5 TRANSPORTATION.

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

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

13 9-1A-33.

14 (A) THE COMMISSION SHALL:

15 (1) ESTABLISH AN ANNUAL FEE OF \$400, TO BE PAID BY EACH VIDEO
16 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED
17 BY THE LICENSEE DURING THE YEAR; AND

18 (2) DISTRIBUTE THE FEES COLLECTED UNDER ITEM (1) OF THIS
19 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION
20 (B) OF THIS SECTION.

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

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

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

29 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
30 MADE ONLY:

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

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

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

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

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

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

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

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

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

14 (vi) Title 16 of this article ("Debarment of Contractors"); and

15 (vii) Title 17 of this article ("Special Provisions - State and Local
 16 Subdivisions").

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

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

23 **Article - State Government**

24 9-1A-36.

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

26 (B) (1) (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
 27 CONSISTS OF SEVEN MEMBERS.

28 (II) APPOINTMENTS TO THE VIDEO LOTTERY FACILITY LOCATION
 29 COMMISSION SHALL BE SUBJECT TO THE APPROVAL OF THE LEGISLATIVE POLICY
 30 COMMITTEE.

31 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
 32 PRESIDENT OF THE SENATE.

33 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER
 34 OF THE HOUSE.

1 (III) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
2 GOVERNOR.

3 (IV) ONE OF THE MEMBERS SHALL BE APPOINTED BY THE STATE
4 TREASURER.

5 (3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS
6 SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY
7 OF THE POPULATION OF THE STATE.

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

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

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

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

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

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

17 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR
18 ECONOMICS; OR

19 (III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS
20 A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR
21 ECONOMICS;

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

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

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

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

34 (8) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
35 MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING

1 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
2 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING ACTIVITY.

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

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

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

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

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

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

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

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

25 (4) (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY
26 AWARD UP TO TWO VIDEO LOTTERY OPERATION LICENSES TO NONRACETRACK
27 DESTINATION LOCATIONS.

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

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

33 (I) TWO VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY;
34 AND

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

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

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

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

9 (II) SHALL INCLUDE THE INFORMATION NECESSARY FOR
10 APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE AS REQUIRED BY THIS
11 SUBTITLE;

12 (III) SHALL INCLUDE AN APPLICATION FEE ESTABLISHED BY THE
13 VIDEO LOTTERY FACILITY LOCATION COMMISSION FOR THE PURPOSE OF COVERING
14 EXPENSES THAT WILL BE INCURRED BY THE VIDEO LOTTERY FACILITY LOCATION
15 COMMISSION IN CONSIDERING A BID;

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

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

22 (2) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE AT A
23 RACETRACK LOCATION MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT
24 THAT EXCEEDS 38% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS.

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

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

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

37 (I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST
38 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 ABILITY TO ATTRACT OUT-OF-STATE GAMING
4 PARTICIPANTS;

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 PROPOSED FACILITY CAPITAL CONSTRUCTION PLANS AND
9 COMPETITIVENESS OF THE PROPOSED FACILITY;

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

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

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

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 NUMBER OF NEW JOBS TO BE CREATED; AND

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

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

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

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

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

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

34 (J) (1) A PERSON THAT IS AWARDED A VIDEO LOTTERY OPERATION
35 LICENSE UNDER THIS SECTION SHALL PAY AN INITIAL LICENSE FEE PRIOR TO THE
36 ISSUANCE OF THE LICENSE THAT IS EQUAL TO \$3,000,000 PER 500 VIDEO LOTTERY

1 TERMINALS AWARDED TO THE LICENSEE THAT SHALL BE PRORATED BASED ON THE
2 EXACT NUMBER OF VIDEO LOTTERY TERMINALS AWARDED BY THE VIDEO LOTTERY
3 FACILITY LOCATION COMMISSION.

4 (2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE
5 SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-30 OF THIS
6 SUBTITLE.

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

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

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

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

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

24 (N) (1) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY OPERATION
25 LICENSE UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE
26 AND PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT APPEALS
27 OF THE AWARDING OF THE VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO
28 LOTTERY FACILITY LOCATION COMMISSION.

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

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

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

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

4 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,
5 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO
6 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY
7 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID
8 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS
9 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

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

12 **Article - State Finance and Procurement**

13 11-203.

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

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

19 **Article - State Finance and Procurement**

20 11-203.

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

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

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

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

18 SECTION 8. AND BE IT FURTHER ENACTED, That, if a license is issued for
19 a location at the Pimlico Race Course, the Department of Transportation shall study
20 the impact of the increased traffic resulting from any proposed operation of video
21 lottery terminals at Pimlico Race Course, including the need for an interchange on
22 Jones Falls Expressway between Northern Parkway and Interstate 695. The
23 Department of Transportation shall provide a final report on the study required
24 under this section to the General Assembly in accordance with § 2-1246 of the State
25 Government Article, within 6 months after the issuance of the license for a location at
26 the Pimlico Race Course. The cost of the study undertaken by the Department of
27 Transportation under this section shall be paid by the holder of the license issued for
28 a location at the Pimlico Race Course. Notwithstanding § 9-1A-31 of the State
29 Government Article, as enacted by Section 1 of this Act, the costs of any
30 improvements to the streets and roads in the neighborhoods surrounding Pimlico
31 Race Course and for the planning, design, and construction of an interchange on the
32 Jones Falls Expressway between Northern Parkway and Interstate 695 that are
33 recommended in the study or are needed to facilitate access to Pimlico Race Course
34 and mitigate the increased traffic resulting from any proposed operation of video
35 lottery terminals at Pimlico Race Course are the sole responsibility of the holder of
36 the license issued for a location at the Pimlico Race Course, and may not be paid from
37 any State money, including money from the Transportation Trust Fund or highway
38 user revenues allocated to the counties.

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

- 43 (1) one member in 2008;
- 44 (2) one member in 2009; and

1 (3) two members in 2010.

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

10 SECTION 11. AND BE IT FURTHER ENACTED, That Section 4 of this Act
11 shall take effect on the taking effect of the termination provision specified in Section
12 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination
13 provision takes effect, Section 3 of this Act shall be abrogated and of no further force
14 and effect. This Act may not be interpreted to have any effect on that termination
15 provision.

16 SECTION 12. AND BE IT FURTHER ENACTED, That, subject to the
17 provisions of Sections 10 and 11 of this Act, this Act shall take effect June 1, 2006.