

# HOUSE BILL 17

C7  
HB 575/06 – W&M

71r0515

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By: **Delegate G. Clagett**  
Introduced and read first time: January 12, 2007  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public School Construction – Funding – Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation  
4 of certain video lottery terminals; requiring the Governor to appoint a member  
5 of the State Racing Commission as a liaison to the State Lottery Commission;  
6 altering the membership of the State Lottery Commission; specifying certain  
7 requirements for members of the State Lottery Commission; requiring the  
8 Governor to appoint a member of the State Lottery Commission as a liaison to  
9 the State Racing Commission; providing that members of the State Lottery  
10 Commission may be compensated as provided in the State budget; authorizing  
11 the operation of video lottery terminals connected to a certain central computer  
12 that allows the State Lottery Commission to monitor a video lottery terminal  
13 and that has certain capabilities; prohibiting access to the central computer to  
14 certain licensees with a certain exception; providing that only a person with a  
15 certain video lottery operation license may offer a video lottery terminal for  
16 public use in the State; providing that this Act is statewide and exclusive in its  
17 effect and that certain laws do not apply to video lottery terminals authorized  
18 under this Act; authorizing the State Lottery Commission to conduct certain  
19 investigations and hearings; requiring the State Lottery Commission to adopt  
20 certain regulations; authorizing the State Lottery Commission to require a  
21 certain bond and collect certain fees, civil penalties, and taxes; authorizing the  
22 State Lottery Commission to inspect and seize certain equipment, financial  
23 information, and records without notice or warrant; authorizing the State  
24 Lottery Commission to issue a certain number of video lottery operation licenses  
25 under certain circumstances; requiring certain video lottery terminal  
26 manufacturers, video lottery operators, video lottery employees, and other

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

1 Construction Fund to be used for a certain purpose; establishing a Purse  
2 Dedication Fund under the authority of the State Racing Commission; providing  
3 for a certain distribution from video lottery proceeds to the Purse Dedication  
4 Fund for horse racing; providing for certain distributions from the Purse  
5 Dedication Fund for horse racing in a certain manner; authorizing the State to  
6 pay certain transportation costs; requiring the Department of Transportation to  
7 facilitate certain negotiations; requiring a certain transportation plan to be  
8 developed by certain counties; providing for the creation of certain local  
9 development councils; providing for appointment and membership of certain  
10 local development councils; requiring certain counties to develop certain plans  
11 to be reviewed by certain local development councils; specifying that certain  
12 local development grants should be used for certain purposes; authorizing  
13 certain fees and providing for a certain distribution from certain fees to the  
14 Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the  
15 Department of Health and Mental Hygiene; providing for certain disbursements  
16 from the Compulsive Gambling Fund for certain purposes; expanding the types  
17 of funds that a certain fire, rescue, and ambulance special fund may receive;  
18 exempting a certain procurement by the State Lottery Commission from certain  
19 provisions of law; requiring the State Lottery Commission to make a certain  
20 annual report by a certain date; requiring the Department of Transportation to  
21 conduct a certain study and make a certain report by a certain date; requiring a  
22 certain certification entity to conduct certain studies and make certain reports;  
23 making the provisions of this Act severable; providing for the staggering of the  
24 terms of certain new members of the State Lottery Commission; defining certain  
25 terms; providing for the termination of certain provisions of this Act; providing  
26 that certain provisions of this Act are contingent on the termination of another  
27 Act; and generally relating to the operation of video lottery terminals at certain  
28 locations in the State.

29 BY adding to  
30 Article – Business Regulation  
31 Section 11–202(g)  
32 Annotated Code of Maryland  
33 (2004 Replacement Volume and 2006 Supplement)

34 BY repealing and reenacting, with amendments,  
35 Article – State Government  
36 Section 9–105 and 9–108(d)  
37 Annotated Code of Maryland  
38 (2004 Replacement Volume and 2006 Supplement)

39 BY adding to  
40 Article – State Government

1 Section 9–1A–01 through 9–1A–33 to be under the new subtitle “Subtitle 1A.  
 2 Video Lottery Terminals”  
 3 Annotated Code of Maryland  
 4 (2004 Replacement Volume and 2006 Supplement)

5 BY repealing and reenacting, with amendments,  
 6 Article – Public Safety  
 7 Section 8–102  
 8 Annotated Code of Maryland  
 9 (2003 Volume and 2006 Supplement)

10 BY repealing and reenacting, with amendments,  
 11 Article – State Finance and Procurement  
 12 Section 11–203(a)(1)(xvi) and (xvii) and (b)(3)  
 13 Annotated Code of Maryland  
 14 (2006 Replacement Volume and 2006 Supplement)

15 BY adding to  
 16 Article – State Finance and Procurement  
 17 Section 11–203(a)(1)(xviii)  
 18 Annotated Code of Maryland  
 19 (2006 Replacement Volume and 2006 Supplement)

20 BY repealing and reenacting, with amendments,  
 21 Article – State Finance and Procurement  
 22 Section 11–203(b)(2)  
 23 Annotated Code of Maryland  
 24 (2006 Replacement Volume and 2006 Supplement)  
 25 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

28 **Article – Business Regulation**

29 11–202.

30 **(G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE**  
 31 **COMMISSION TO SERVE AS A LIAISON TO THE STATE LOTTERY COMMISSION**  
 32 **ESTABLISHED UNDER TITLE 9 OF THE STATE GOVERNMENT ARTICLE.**

33 **Article – State Government**

1 9-105.

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

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

6 (I) **AT LEAST 25 YEARS OLD;**

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

9 (III) **A QUALIFIED VOTER OF THE STATE; AND**

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

13 (2) **A MEMBER OF THE COMMISSION MAY NOT:**

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

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

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

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

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

25 (c) **THE COMMISSION SHALL INCLUDE:**

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

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

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

5           **(4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION**  
6 **TECHNOLOGY.**

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

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

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

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

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

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

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

21 9-108.

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

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

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

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

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

5 **SUBTITLE 1A. VIDEO LOTTERY TERMINALS.**

6 **9-1A-01.**

7 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
8 INDICATED.

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

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

16 (D) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE  
17 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY  
18 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY  
19 TERMINAL.

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

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

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

1           **(H) “CENTRAL COMPUTER” MEANS A CENTRAL SITE COMPUTER**  
2 **PROVIDED TO AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO**  
3 **LOTTERY TERMINALS COMMUNICATE FOR PURPOSES OF:**

4           **(1) INFORMATION RETRIEVAL;**

5           **(2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM**  
6 **VIDEO LOTTERY TERMINALS; AND**

7           **(3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY**  
8 **TERMINALS.**

9           **(I) “COMMISSION” MEANS THE STATE LOTTERY COMMISSION.**

10           **(J) “CONTROL” MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT**  
11 **AND POLICIES OF AN APPLICANT OR LICENSEE.**

12           **(K) “COSTS” MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE**  
13 **EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS**  
14 **SUBTITLE, INCLUDING:**

15           **(1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF**  
16 **PURCHASING THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND**  
17 **CENTRAL COMPUTER;**

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

23           **(3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO**  
24 **LOTTERY TERMINALS; AND**

25           **(4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS**  
26 **AND OTHER RELATED ACTIVITIES.**

27           **(L) “FAMILY” MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,**  
28 **GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES,**



1 FATHERS-IN-LAW, MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW,  
2 BROTHERS-IN-LAW, AND SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR  
3 HALF BLOOD, BY MARRIAGE, ADOPTION, OR NATURAL RELATIONSHIP.

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

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

8 (O) "MANUFACTURER" MEANS A PERSON:

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

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

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

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

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

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

1           (S)    **“PROGRESSIVE JACKPOT” MEANS A PRIZE THAT INCREASES AS ONE**  
2 **OR MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE**  
3 **JACKPOT SYSTEM.**

4           (T)    **“PROGRESSIVE JACKPOT SYSTEM” MEANS THE CAPABILITY OF THE**  
5 **CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN**  
6 **ONE OR MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON**  
7 **PROGRESSIVE JACKPOTS.**

8           (U)    **“VIDEO LOTTERY” MEANS GAMING OR BETTING CONDUCTED USING**  
9 **A VIDEO LOTTERY TERMINAL.**

10          (V)    **“VIDEO LOTTERY EMPLOYEE” MEANS AN EMPLOYEE OF A PERSON**  
11 **WHO HOLDS A LICENSE.**

12          (W)    **“VIDEO LOTTERY FACILITY” MEANS A FACILITY AT WHICH PLAYERS**  
13 **PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.**

14          (X)    **“VIDEO LOTTERY OPERATION LICENSE” MEANS A LICENSE ISSUED**  
15 **TO A HORSE RACETRACK THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY**  
16 **TERMINALS.**

17          (Y)    (1)   **“VIDEO LOTTERY TERMINAL” MEANS ANY MACHINE OR**  
18 **OTHER DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER,**  
19 **TICKET, COUPON, OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:**

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

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

29           (2)    **“VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR**  
30 **DEVICE:**

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

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

6                   (3)     **“VIDEO LOTTERY TERMINAL” DOES NOT INCLUDE AN**  
7 **AUTHORIZED SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER**  
8 **TITLE 12, SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.**

9 **9-1A-02.**

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

11            (B)     **THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO**  
12 **LOTTERY TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.**

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

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

19            (3)     **THE CENTRAL COMPUTER SHALL BE CAPABLE OF:**

20                   (I)     **CONFORMING TO THE PROTOCOLS OF THE VIDEO**  
21 **LOTTERY TERMINALS LEASED OR PURCHASED BY THE COMMISSION UNDER**  
22 **THIS SUBTITLE;**

23                   (II)    **CONTINUOUSLY MONITORING, RETRIEVING, AND**  
24 **AUDITING THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF**  
25 **ALL VIDEO LOTTERY TERMINALS;**

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

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

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

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

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

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

23 **9-1A-03.**

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

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

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

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

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

5           (4)    **OTHER GAMING CONDUCTED UNDER TITLES 12 AND 13 OF**  
6 **THE CRIMINAL LAW ARTICLE.**

7 **9-1A-04.**

8           **(A)    THE COMMISSION SHALL:**

9           (1)    **HEAR AND DECIDE, PROMPTLY AND IN REASONABLE ORDER,**  
10 **LICENSE APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION,**  
11 **REVOCATION, OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;**

12           (2)    **AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE**  
13 **LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN**  
14 **ANOTHER STATE;**

15           (3)    **CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS**  
16 **SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;**

17           (4)    **COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER**  
18 **THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATING TO LICENSING;**

19           (5)    **DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK**  
20 **ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE**  
21 **STATE LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS**  
22 **SUBTITLE RELATING TO LICENSING;**

23           (6)    **LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS**  
24 **OF THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS**  
25 **SUBTITLE;**

26           (7)    **BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS**  
27 **EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO**  
28 **LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE**

1 VIDEO LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND  
2 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO  
3 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY  
4 TERMINALS AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM  
5 NECESSARY AND PROPER; AND

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

9 (B) THE COMMISSION MAY:

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

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

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

19 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

5           (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING  
6 OF AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR  
7 OTHER METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE  
8 JUDGMENT OF THE COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT  
9 OF THE PROVISIONS OF THIS SUBTITLE;

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

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

14          (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR  
15 VIDEO LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR  
16 VIDEO LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO  
17 LOTTERY TERMINALS;

18          (7) REGULATING THE PRACTICE AND PROCEDURES FOR  
19 NEGOTIABLE TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON  
20 THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE  
21 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT  
22 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

23          (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR  
24 REPRIMANDS OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES  
25 ISSUED UNDER THIS SUBTITLE;

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

28          (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
29 MANAGEMENT CONTROLS;

1           **(11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF**  
2 **ACCOUNTANCY METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO**  
3 **ASSURE CONSISTENCY, COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL**  
4 **FINANCIAL INFORMATION, INCLUDING PERCENTAGES OF PROFIT FOR VIDEO**  
5 **LOTTERY TERMINALS;**

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

13           **(13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO**  
14 **DEMONSTRATE AND MAINTAIN FINANCIAL VIABILITY;**

15           **(14) ENSURING THAT THE OPERATION OF VIDEO LOTTERY**  
16 **TERMINALS AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY; AND**

17           **(15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS**  
18 **SUBTITLE.**

19           **(E) (1) THE COMMISSION MAY BY REGULATION REQUIRE AN**  
20 **APPLICANT OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR**  
21 **THE FAITHFUL PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS**  
22 **SUBTITLE AND ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.**

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

27           **(3) THE BONDS FURNISHED MAY BE APPLIED BY THE**  
28 **COMMISSION TO THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.**

29           **(F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY**  
30 **INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND**  
31 **REGULATIONS THAT ARE ADOPTED UNDER THIS SUBTITLE.**



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

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

9                   **(II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED**  
10 **EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE**  
11 **PREMISES;**

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

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

20                   **(V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF**  
21 **BOOKS, RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING**  
22 **ROOM OR ITS EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO**  
23 **LOTTERY OPERATIONS.**

24           **(3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING**  
25 **FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE**  
26 **RECORDS TO THE COMMISSION.**

27 **9-1A-05.**

28           **(A) THE COMMISSION MAY ISSUE NO MORE THAN FIVE VIDEO LOTTERY**  
29 **OPERATION LICENSES.**

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

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

5           **(2) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR**  
6 **THE PIMLICO RACE COURSE IN BALTIMORE CITY;**

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

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

11           **(5) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT**  
12 **THE OCEAN DOWNS RACETRACK IN WORCESTER COUNTY.**

13           **(C) THE COMMISSION MAY ISSUE A VIDEO LOTTERY OPERATION**  
14 **LICENSE ONLY:**

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

18           **(2) FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR**  
19 **THE GEOGRAPHIC LOCATION ON JUNE 1, 2007, OF THE HORSE RACECOURSE**  
20 **FOR WHICH THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.**

21 **9-1A-06.**

22           **(A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS**  
23 **SUBTITLE:**

24           **(1) A VIDEO LOTTERY OPERATOR;**

25           **(2) A MANUFACTURER;**

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

5           (4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

22 **9-1A-07.**

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

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

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

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

1           **(2) THE COMMISSION BY REGULATION MAY ESTABLISH A FEE**  
2 **FOR A LICENSE UNDER THIS SUBTITLE.**

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

5           **(C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE**  
6 **RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE**  
7 **PERSON'S QUALIFICATIONS.**

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

11           **(3) APPLICANTS AND LICENSEES SHALL CONSENT TO**  
12 **INSPECTIONS, SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR**  
13 **REGULATIONS ISSUED UNDER THIS SUBTITLE.**

14           **(4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE**  
15 **CONTINUING DUTY TO:**

16                           **1. PROVIDE ASSISTANCE OR INFORMATION**  
17 **REQUIRED BY THE COMMISSION; AND**

18                           **2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR**  
19 **HEARING CONDUCTED BY THE COMMISSION.**

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

24           **(5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT**  
25 **SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND**  
26 **INVESTIGATION PURPOSES.**

27                           **(II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE**  
28 **COMMISSION BY REGULATION MAY ESTABLISH THE CATEGORIES OF**

1 INDIVIDUALS WHO SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR  
2 IDENTIFICATION AND INVESTIGATION PURPOSES.

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

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

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

14 (I) THE FINANCIAL STABILITY, INTEGRITY, AND  
15 RESPONSIBILITY OF THE APPLICANT OR LICENSEE;

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

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

21 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF  
22 THE APPLICANT OR LICENSEE.

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

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

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

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

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

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

20 **9-1A-08.**

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

24           **(1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF**  
25 **ALL BUSINESSES OPERATED BY THE BUSINESS ENTITY;**

26           **(2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL**  
27 **HISTORIES OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL**  
28 **EMPLOYEES OF THE BUSINESS ENTITY;**

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

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

8           **(5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF**  
9 **DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS,**  
10 **OR OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS**  
11 **HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR**  
12 **BUSINESS ENTITIES;**

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

16           **(7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,**  
17 **MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY**  
18 **DEVICES UTILIZED BY THE BUSINESS ENTITY;**

19           **(8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE**  
20 **BUSINESS ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND**  
21 **UNDERWRITERS AND THEIR REMUNERATION IN THE FORM OF SALARY, WAGES,**  
22 **FEES, OR OTHERWISE;**

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

26           **(10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE**  
27 **BUSINESS ENTITY;**

28           **(11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING**  
29 **ARRANGEMENTS;**

30           **(12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND**

1           **(13) A LISTING OF STOCK OPTIONS.**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

10           **(E) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER**  
11 **THAN A HORSE RACECOURSE IN ALLEGANY COUNTY OR WORCESTER COUNTY,**  
12 **SHALL MEET THE FOLLOWING REQUIREMENTS BY CLEAR AND CONVINCING**  
13 **EVIDENCE:**

14           **(1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR**  
15 **THE APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST**  
16 **\$150,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION**  
17 **AND RELATED COSTS; AND**

18           **(2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF**  
19 **AT LEAST 500 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE**  
20 **VIDEO LOTTERY FACILITY; AND**

21           **(II) THE POSITIONS CREATED UNDER ITEM (I) OF THIS ITEM**  
22 **SHALL COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS**  
23 **REGARDING PAYMENT OF A LIVING WAGE OR OTHER REQUIREMENTS RELATING**  
24 **TO EMPLOYMENT IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY WILL**  
25 **BE LOCATED.**

26           **(F) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS**  
27 **A HORSE RACECOURSE IN ALLEGANY COUNTY OR OCEAN DOWNS SHALL MEET**  
28 **THE FOLLOWING REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:**

29           **(1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR**  
30 **THE APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$43,000,000**  
31 **IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED**  
32 **COSTS; AND**

1           **(2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF**  
2 **AT LEAST 150 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE**  
3 **VIDEO LOTTERY FACILITY; AND**

4           **(II) THE POSITIONS CREATED UNDER THIS ITEM SHALL**  
5 **COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING**  
6 **PAYMENT OF A LIVING WAGE OR OTHER REQUIREMENTS RELATING TO**  
7 **EMPLOYMENT IN ALLEGANY COUNTY OR WORCESTER COUNTY.**

8 **9-1A-09.**

9           **(A) UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD,**  
10 **OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE, AS A**  
11 **CONDITION OF LICENSURE, A VIDEO LOTTERY OPERATION LICENSEE SHALL**  
12 **MAINTAIN AT LEAST THE FOLLOWING LIVE RACING DAYS FOR HORSE RACING:**

13           **(1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK**  
14 **AND PIMLICO RACE COURSE;**

15           **(2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY;**

16           **(3) 21 DAYS FOR A LICENSEE AT A HORSE RACECOURSE IN**  
17 **ALLEGANY COUNTY; AND**

18           **(4) THE SAME NUMBER OF RACING DAYS FOR A LICENSEE AT**  
19 **OCEAN DOWNS RACETRACK AS WERE CONDUCTED IN 2005.**

20           **(B) (1) IF VIDEO LOTTERY OPERATION LICENSES HAVE BEEN ISSUED**  
21 **FOR THE PIMLICO RACE COURSE OR LAUREL PARK, THE VIDEO LOTTERY**  
22 **OPERATION LICENSES FOR EACH LOCATION SHALL BE REVOKED IF THE NAME,**  
23 **COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS,**  
24 **TRADE NAMES, OR HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE**  
25 **PREAKNESS STAKES OR THE WOODLAWN VASE ARE TRANSFERRED TO A**  
26 **LOCATION OUTSIDE THE STATE.**

27           **(2) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY**  
28 **OPERATION LICENSE, THE LICENSEES DESCRIBED IN PARAGRAPH (1) OF THIS**  
29 **SUBSECTION SHALL BE REQUIRED TO:**

1                   **(I) PROMOTE AND CONDUCT THE PREAKNESS STAKES AT**  
2 **THE PIMLICO RACE COURSE EACH YEAR; OR**

3                   **(II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS,**  
4 **THE PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT**  
5 **THE PIMLICO RACE COURSE, OR THE STATE RACING COMMISSION, UNDER §**  
6 **11-513 OF THE BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY**  
7 **EXISTS, PROMOTE AND CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT**  
8 **ANOTHER TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE STATE**  
9 **RACING COMMISSION.**

10                  **(C) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR**  
11 **LAUREL PARK, THE LICENSEE SHALL PERMIT THE EVENT KNOWN AS THE**  
12 **MARYLAND MILLION TO BE RUN ANNUALLY AT LAUREL PARK UNLESS:**

13                   **(1) THE LICENSEE IS PREVENTED FROM DOING SO BY WEATHER,**  
14 **ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE**  
15 **LICENSEE; OR**

16                   **(2) THE LICENSEE AND THE MARYLAND MILLION, LTD. AGREE TO**  
17 **ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING COMMISSION.**

18                  **(D) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE**  
19 **SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO**  
20 **IMPROVE THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION**  
21 **WHERE THE LICENSE IS GRANTED.**

22                   **(2) EACH PLAN SHALL INCLUDE:**

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

26                   **(II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT**  
27 **REFLECTS AT A MINIMUM:**

28                   **1. COMMITMENTS THAT HAVE BEEN MADE TO THE**  
29 **STATE RACING COMMISSION; AND**

1                   **2. AN ONGOING INVESTMENT IN THE CAPITAL**  
2 **MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING RELATED**  
3 **FACILITIES EQUAL TO AT LEAST ONE-THIRD OF THE REVENUES PROVIDED TO A**  
4 **VIDEO LOTTERY OPERATION LICENSEE UNDER § 9-1A-27 OF THIS SUBTITLE.**

5                   **(3) THE STATE RACING COMMISSION SHALL EVALUATE THE**  
6 **LEVEL OF REVENUES SPENT ON CAPITAL MAINTENANCE AND IMPROVEMENTS**  
7 **EVERY 5 YEARS AND SHALL REPORT TO THE GENERAL ASSEMBLY ON THE**  
8 **FINDINGS OF THE EVALUATION.**

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

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

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

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

1           **(G) THE PLANS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION**  
2 **SHALL ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE**  
3 **LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.**

4 **9-1A-10.**

5           **(A) IN THIS SECTION, “QUALIFIED INVESTOR” MEANS AN INDIVIDUAL**  
6 **WHO MEETS:**

7                   **(1) THE QUALIFICATIONS AND CRITERIA ESTABLISHED BY §§**  
8 **9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR A VIDEO LOTTERY OPERATION**  
9 **LICENSE;**

10                   **(2) THE CRITERIA RELATED TO QUALIFIED INVESTORS UNDER**  
11 **THE SECURITIES ACT OF 1933; AND**

12                   **(3) WITH THE EXCEPTION OF § 14-301(I)(3) OF THE STATE**  
13 **FINANCE AND PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14,**  
14 **SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE FOR**  
15 **CERTIFICATION AS A MINORITY BUSINESS ENTERPRISE.**

16           **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**  
17 **SUBSECTION, ON OR BEFORE AUGUST 31, 2007, AN APPLICANT FOR A VIDEO**  
18 **LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACECOURSE IN**  
19 **ALLEGANY COUNTY, SHALL OFFER FOR SALE TO QUALIFIED INVESTORS AT**  
20 **LEAST 15% OF THE EQUITY OWNERSHIP, EITHER DIRECT OR INDIRECT, OF THE**  
21 **ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE APPLICANT’S:**

22                   **(I) MILE THOROUGHBRED OR HARNESS RACING LICENSE;**  
23 **AND**

24                   **(II) VIDEO LOTTERY OPERATION LICENSE.**

25                   **(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**  
26 **SUBSECTION, ON OR BEFORE AUGUST 31, 2008, AN APPLICANT FOR A VIDEO**  
27 **LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY**  
28 **COUNTY SHALL OFFER FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF**  
29 **THE EQUITY OWNERSHIP, EITHER DIRECT OR INDIRECT, OF THE ENTITY OR**  
30 **ENTITIES THAT HOLD OR WILL HOLD THE APPLICANT’S:**

1                   (I)     MILE THOROUGHBRED OR HARNESS RACING LICENSE;  
2     AND

3                   (II)    VIDEO LOTTERY OPERATION LICENSE.

4                   (3)     IF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE  
5     IS AN ENTITY THAT HOLDS MORE THAN ONE MILE THOROUGHBRED OR HARNESS  
6     RACING LICENSE AND IS ELIGIBLE FOR MORE THAN ONE VIDEO LOTTERY  
7     OPERATION LICENSE, THE APPLICANT FOR A VIDEO LOTTERY OPERATION  
8     LICENSE SHALL OFFER TO QUALIFIED INVESTORS AT LEAST 10% OF THE EQUITY  
9     OWNERSHIP OF THE ENTITY.

10                  (C)     IN ITS APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE,  
11     AN APPLICANT SHALL DESCRIBE THE PROCESS THE APPLICANT HAS  
12     DEVELOPED TO:

13                   (1)     MAKE THE AVAILABILITY OF THIS INVESTMENT OPPORTUNITY  
14     WIDELY KNOWN TO QUALIFIED INVESTORS;

15                   (2)     SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

16                   (3)     ENSURE, CONSISTENT WITH THE EXERCISE OF SOUND  
17     BUSINESS JUDGMENT, THAT QUALIFIED INVESTORS WHO RESIDE IN MARYLAND  
18     ARE PROVIDED WITH A PREFERENCE FOR SELECTION WITH A GOAL OF AT LEAST  
19     50% OF QUALIFIED INVESTORS.

20                  (D)     (1)    SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO  
21     REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION  
22     LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR  
23     HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE  
24     APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B)  
25     OF THIS SECTION.

26                   (2)     (1)    NOTWITHSTANDING THE PROVISIONS OF THIS SECTION,  
27     AN APPLICANT MAY NOT BE REQUIRED TO SELL AN EQUITY OWNERSHIP  
28     INTEREST IN THE ENTITIES DESCRIBED IN SUBSECTION (B) OF THIS SECTION  
29     FOR A PRICE THAT IS LESS THAN:

1                   **1. FAIR MARKET VALUE; OR**

2                   **2. AS ADJUSTED ON A PRO RATA BASIS, THE VALUE**  
3 **PAID BY THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS**  
4 **EVIDENCED BY THE AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE**  
5 **MADE BY THE PRIMARY EQUITY HOLDER.**

6                   **(II) AT THE REQUEST OF A QUALIFIED INVESTOR, THE**  
7 **COMMISSION SHALL REVIEW AND APPROVE THE PRICE DETERMINED BY THE**  
8 **APPLICANT IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH.**

9                   **(E) (1) THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE**  
10 **POLICY COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND**  
11 **BACKGROUND INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE**  
12 **EQUITY OWNERS OF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.**

13                   **(2) THE INFORMATION REQUIRED UNDER THIS SUBSECTION**  
14 **SHALL BE PROVIDED TO THE LEGISLATIVE POLICY COMMITTEE OF THE**  
15 **GENERAL ASSEMBLY AT LEAST 30 DAYS PRIOR TO THE AWARD OF A VIDEO**  
16 **LOTTERY OPERATION LICENSE.**

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

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

28                   **(3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,**  
29 **INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,**  
30 **ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE**  
31 **REQUIREMENTS OF THIS SUBSECTION.**



1           (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING  
2 AGREEMENT OR AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A  
3 PREFERENCE TO HIRING QUALIFIED EMPLOYEES FROM THE COMMUNITIES IN  
4 CLOSE PROXIMITY TO THE VIDEO LOTTERY FACILITY.

5           (G) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY  
6 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION  
7 AS A CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

17           (H) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS  
18 ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE  
19 ENFORCED ON OR AFTER JULY 1, 2010.

20 **9-1A-11.**

21           (A) (1) ON OR BEFORE OCTOBER 1, 2007, AN APPLICANT FOR A  
22 VIDEO LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACECOURSE IN  
23 ALLEGANY COUNTY OR OCEAN DOWNS RACETRACK, SHALL SUBMIT TO THE  
24 COMMISSION AN APPLICATION AS PROVIDED IN THIS SUBTITLE AND A  
25 \$5,000,000 APPLICATION FEE.

26           (2) ON OR BEFORE OCTOBER 1, 2007, AN APPLICANT FOR A  
27 VIDEO LOTTERY OPERATION LICENSE FOR OCEAN DOWNS RACETRACK SHALL  
28 SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS SUBTITLE  
29 AND A \$1,500,000 APPLICATION FEE.

1           **(3) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,**  
2 **THE COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY**  
3 **OPERATION LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2007.**

4           **(B) (1) ON OR BEFORE OCTOBER 1, 2008, AN APPLICANT FOR A**  
5 **VIDEO LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE IN**  
6 **ALLEGANY COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS**  
7 **PROVIDED IN THIS SUBTITLE AND A \$1,500,000 APPLICATION FEE.**

8           **(2) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A**  
9 **VIDEO LOTTERY OPERATIONS LICENSE OR AN APPLICATION FEE FROM A HORSE**  
10 **RACECOURSE IN ALLEGANY COUNTY AFTER OCTOBER 1, 2008.**

11           **(C) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A**  
12 **LOCATION AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY**  
13 **REVERT TO THE STATE.**

14           **(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
15 **SUBSECTION, A LICENSEE SHALL COMMENCE OPERATION OF THE VIDEO**  
16 **LOTTERY TERMINALS AT THE LOCATION FOR WHICH THE VIDEO LOTTERY**  
17 **OPERATION LICENSE HAS BEEN ISSUED WITHIN 18 MONTHS AFTER THE LICENSE**  
18 **IS ISSUED.**

19           **(2) (I) ON A DETERMINATION BY THE COMMISSION THAT**  
20 **EXTENUATING CIRCUMSTANCES EXIST THAT ARE BEYOND THE CONTROL OF THE**  
21 **LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE**  
22 **REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION**  
23 **MAY ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE**  
24 **REQUIREMENTS.**

25                           **(II) THE COMMISSION MAY NOT GRANT MORE THAN TWO**  
26 **EXTENSIONS TO A LICENSEE UNDER THIS SECTION.**

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

31 **9-1A-12.**

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

9           **9-1A-13.**

10           **(A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15**  
11 **YEARS.**

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

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

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

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

28           **9-1A-14.**

1           **(A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE**  
2 **LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED**  
3 **BY A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.**

4           **(B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN**  
5 **APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND**  
6 **ASSURANCES THAT THE COMMISSION MAY REQUIRE.**

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

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

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

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

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

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

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

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

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

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

14 **9-1A-15.**

15           (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER  
16 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A  
17 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO  
18 LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR  
19 GOODS OR SERVICES THAT DIRECTLY RELATE TO THE OPERATION OF VIDEO  
20 LOTTERY TERMINALS UNDER THIS SUBTITLE.

21           (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR  
22 CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY  
23 PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER,  
24 SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN §§  
25 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION  
26 LICENSEES.

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

31           (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,  
32 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR

1 **DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND**  
2 **CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES**  
3 **ESTABLISHED BY THE COMMISSION.**

4 **9-1A-16.**

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

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

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

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

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

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

29 **(II) REQUIRE THE PERSON WHO IS GRANTED THE**  
30 **EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND TO**

1 **PROVIDE THE COMMISSION WITH ANY ADDITIONAL INFORMATION REQUIRED BY**  
2 **THE COMMISSION AS A CONDITION OF THE WAIVER OR EXEMPTION.**

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

5 **9-1A-17.**

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

9 **(1) PROPER APPLICATION FOR RENEWAL; AND**

10 **(2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND**  
11 **OTHER FEES AND TAXES.**

12 **9-1A-18.**

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

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

26 **(1) PRECLUDE:**

27 **(I) THE CREATION OF ANY PROPERTY RIGHT IN ANY**  
28 **LICENSE REQUIRED UNDER THIS SUBTITLE;**

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

3                   (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
4 SUBTITLE; AND

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

8 **9-1A-19.**

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

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

11                   (2) PLEDGED AS COLLATERAL.

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

14                   (I) THE PERSON NOTIFIES THE COMMISSION OF THE  
15 PROPOSED SALE OR TRANSFER; AND

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

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

24 **9-1A-20.**

25           (A) FOR A LICENSE ISSUED UNDER THIS SUBTITLE, THE DEPARTMENT  
26 OF STATE POLICE SHALL:



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

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

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

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

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

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

16               (I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE  
17 FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE  
18 CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF  
19 INVESTIGATION;

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

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

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

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

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

8 **9-1A-21.**

9           **(A) EACH VIDEO LOTTERY TERMINAL, THE ASSOCIATED EQUIPMENT,**  
10 **AND THE CENTRAL COMPUTER SHALL BE:**

11                   **(1) OWNED OR LEASED BY THE COMMISSION; AND**

12                   **(2) UNDER THE CONTROL OF THE COMMISSION.**

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

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

25 **9-1A-22.**

26           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE**  
27 **COMMISSION MAY AUTHORIZE 3,500 VIDEO LOTTERY TERMINALS FOR**  
28 **OPERATION UNDER A VIDEO LOTTERY OPERATION LICENSE.**

1           **(B) IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A**  
2 **HORSE RACECOURSE IN ALLEGANY COUNTY OR WORCESTER COUNTY, THE**  
3 **COMMISSION MAY NOT AUTHORIZE MORE THAN 1,000 VIDEO LOTTERY**  
4 **TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY OPERATION LICENSE**  
5 **ISSUED FOR A LOCATION AT A HORSE RACECOURSE IN ALLEGANY COUNTY OR**  
6 **WORCESTER COUNTY.**

7 **9-1A-23.**

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

11           **(2) THE COMMISSION MAY BY REGULATION ESTABLISH AN**  
12 **AVERAGE ANNUAL PAYOUT PERCENTAGE OF MORE THAN 90% BUT NOT MORE**  
13 **THAN 95% FOR VIDEO LOTTERY TERMINALS.**

14           **(3) THE COMMISSION MAY APPROVE AN AVERAGE ANNUAL**  
15 **PAYOUT PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY**  
16 **TERMINALS AT A VIDEO LOTTERY FACILITY.**

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

19           **(C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE**  
20 **FOR ALL MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY**  
21 **OPERATION.**

22           **(D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH**  
23 **THE COMMISSION MAY NOT BE OFFERED FOR SALE AT A VIDEO LOTTERY**  
24 **FACILITY.**

25 **9-1A-24.**

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

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

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

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

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

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

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

28                   **(I) WHO ARE CAREER OFFENDERS AS DEFINED BY**  
29 **REGULATIONS ADOPTED BY THE COMMISSION;**

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

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

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

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

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

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

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

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

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

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

1                   (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A  
2 LICENSEE IN ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY  
3 FAILS TO EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON  
4 THE VOLUNTARY EXCLUSION LIST.

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

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

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

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

13                   (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY  
14 TERMINALS WILL ACCEPT;

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

18                   (VI) PROVIDE CONSUMERS WITH A RECORD OF VIDEO  
19 LOTTERY TERMINAL SPENDING LEVELS IF MARKETING MEASURES ARE  
20 UTILIZED THAT TRACK CONSUMER SPENDING AT VIDEO LOTTERY FACILITIES;  
21 AND

22                   (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES  
23 FROM ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN  
24 PREDATORY MARKETING PRACTICES.

25 **9-1A-25.**

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

1           **(1) THIS SUBTITLE;**

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

3           **(3) A CONDITION THAT THE COMMISSION SETS.**

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

6           **(2) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS**  
7 **SECTION SHALL BE CONSIDERED A SEPARATE VIOLATION.**

8           **(3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED**  
9 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL**  
10 **CONSIDER:**

11                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

12                   **(II) THE HARM CAUSED BY THE VIOLATION; AND**

13                   **(III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE**  
14 **PERSON WHO COMMITTED THE VIOLATION.**

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

20 **9-1A-26.**

21           **(A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY**  
22 **TERMINALS SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE**  
23 **LOTTERY FUND ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND**  
24 **DISTRIBUTED AS PROVIDED IN THIS SECTION.**

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

1           **(2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE**  
2 **UNDER THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS**  
3 **PROVIDED IN THIS SECTION.**

4 **9-1A-27.**

5           **(A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO**  
6 **LOTTERY TERMINALS:**

7           **(1) 5% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED**  
8 **IN § 9-1A-01 OF THIS SUBTITLE;**

9           **(2) ON A PROPERLY APPROVED TRANSMITTAL FROM THE**  
10 **COMMISSION, 35% OF THE PROCEEDS FROM A VIDEO LOTTERY FACILITY TO**  
11 **THE VIDEO LOTTERY OPERATION LICENSEE THAT HOLDS THE LICENSE FOR THE**  
12 **FACILITY;**

13           **(3) (I) SUBJECT TO THE PROVISIONS OF ITEM (4) OF THIS**  
14 **SUBSECTION, ON A PROPERLY APPROVED TRANSMITTAL FROM THE**  
15 **COMMISSION, 3% OF THE PROCEEDS FROM A VIDEO LOTTERY FACILITY TO THE**  
16 **COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED TO BE USED AS A**  
17 **LOCAL DEVELOPMENT GRANT UNDER § 9-1A-30 OF THIS SUBTITLE; AND**

18           **(II) SUBJECT TO THE PROVISIONS OF ITEM (4) OF THIS**  
19 **SUBSECTION, ON A PROPERLY APPROVED TRANSMITTAL FROM THE**  
20 **COMMISSION, 2% OF THE PROCEEDS FROM A VIDEO LOTTERY FACILITY TO THE**  
21 **MUNICIPAL CORPORATION IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED**  
22 **TO BE USED AS A LOCAL DEVELOPMENT GRANT UNDER § 9-1A-30 OF THIS**  
23 **SUBTITLE;**

24           **(4) IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED**  
25 **FOR LAUREL PARK, 10% OF THE PROCEEDS SHALL BE USED AS A LOCAL**  
26 **DEVELOPMENT GRANT THAT SHALL BE DISTRIBUTED IN THE FOLLOWING**  
27 **MANNER:**

28           **(I) 73% TO ANNE ARUNDEL COUNTY;**

29           **(II) 17% TO HOWARD COUNTY; AND**



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

2                   (5) 5% TO THE SENATOR WILLIAM H. AMOSS FIRE, RESCUE, AND  
3 AMBULANCE FUND ESTABLISHED UNDER § 8-102 OF THE PUBLIC SAFETY  
4 ARTICLE;

5                   (6) 10% TO THE PURSE DEDICATION FUND ESTABLISHED UNDER  
6 § 9-1A-28 OF THIS SUBTITLE; AND

7                   (7) 40% TO THE PUBLIC SCHOOL CONSTRUCTION FUND  
8 ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE.

9                   (B) IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5%,  
10 ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE  
11 DIVIDED EQUALLY AND PAID TO:

12                   (1) THE PUBLIC SCHOOL CONSTRUCTION FUND ESTABLISHED  
13 UNDER § 9-1A-29 OF THIS SUBTITLE; AND

14                   (2) THE PURSE DEDICATION FUND ESTABLISHED UNDER §  
15 9-1A-28 OF THIS SUBTITLE.

16 9-1A-28.

17                   (A) THERE IS A PURSE DEDICATION FUND UNDER THE AUTHORITY OF  
18 THE STATE RACING COMMISSION.

19                   (B) (1) THE FUND SHALL RECEIVE MONEY AS REQUIRED UNDER §  
20 9-1A-27 OF THIS SUBTITLE.

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

24                   (3) THE COMPTROLLER SHALL:

25                   (I) ACCOUNT FOR THE FUND; AND

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

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

7                   **(5) EXPENDITURES FROM THE FUND SHALL BE MADE ONLY ON A**  
8 **PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING**  
9 **COMMISSION AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.**

10                  **(C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS**  
11 **SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE**  
12 **OF THE FUNDS IN THE FUND EACH YEAR TO THE THOROUGHBRED INDUSTRY**  
13 **AND THE STANDARD BRED INDUSTRY BASED ON THE PERCENTAGE OF TOTAL**  
14 **WAGERING ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE**  
15 **ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR CALENDAR YEAR.**

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

18                   **(1) 89% TO THOROUGHBRED PURSES; AND**

19                   **(2) 11% TO THE MARYLAND-BRED RACE FUND.**

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

22                   **(1) 89% TO STANDARD BRED PURSES; AND**

23                   **(2) 11% TO THE STANDARD BRED RACE FUND.**

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

27 **9-1A-29.**

1           **(A) THERE IS A PUBLIC SCHOOL CONSTRUCTION FUND WHICH IS A**  
2 **SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF**  
3 **THE STATE FINANCE AND PROCUREMENT ARTICLE.**

4           **(B) (1) THERE SHALL BE CREDITED TO THE PUBLIC SCHOOL**  
5 **CONSTRUCTION FUND ALL PROCEEDS ALLOCATED TO THE FUND UNDER §**  
6 **9-1A-27 OF THIS SUBTITLE.**

7                   **(2) MONEY IN THE PUBLIC SCHOOL CONSTRUCTION FUND**  
8 **SHALL BE INVESTED AND REINVESTED BY THE STATE TREASURER, AND**  
9 **INTEREST AND EARNINGS SHALL ACCRUE TO THE FUND.**

10           **(C) MONEY IN THE PUBLIC SCHOOL CONSTRUCTION FUND SHALL BE**  
11 **USED ONLY TO PROVIDE FUNDING FOR PUBLIC SCHOOL CONSTRUCTION IN THE**  
12 **STATE.**

13           **(D) EXPENDITURES FROM THE PUBLIC SCHOOL CONSTRUCTION FUND**  
14 **SHALL BE MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.**

15 **9-1A-30.**

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

20                   **(1) INFRASTRUCTURE IMPROVEMENTS;**

21                   **(2) FACILITIES;**

22                   **(3) PUBLIC SAFETY;**

23                   **(4) SANITATION;**

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

1           **(6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT**  
2 **THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY**  
3 **FACILITIES.**

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

6           **(2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE**  
7 **FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE**  
8 **COUNTY IN WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN**  
9 **CONSULTATION WITH THE SENATORS AND DELEGATES WHO REPRESENT THE**  
10 **COMMUNITIES SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY**  
11 **COUNCILS, CITY COUNCILS, OR COUNTY COMMISSIONERS:**

12                   **(I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE**  
13 **THE FACILITY IS LOCATED;**

14                   **(II) TWO DELEGATES WHO REPRESENT THE DISTRICTS**  
15 **WHERE THE COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;**

16                   **(III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY**  
17 **OPERATION LICENSEE;**

18                   **(IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE**  
19 **PROXIMITY TO THE FACILITY; AND**

20                   **(V) FOUR REPRESENTATIVES OF BUSINESSES OR**  
21 **INSTITUTIONS LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.**

22           **(C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT**  
23 **GRANT FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY**  
24 **SHALL DEVELOP A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL**  
25 **DEVELOPMENT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT**  
26 **WITH SUBSECTION (A) OF THIS SECTION.**

27                   **(2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT**  
28 **COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN**  
29 **DEVELOPING THE PLAN REQUIRED UNDER THIS SUBSECTION.**

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

4           (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE  
5 COUNTY ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE  
6 NEEDS AND PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO  
7 THE FACILITY.

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

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

13           (6) A COUNTY SHALL MAKE BEST EFFORTS TO ACCOMMODATE  
14 THE RECOMMENDATIONS OF THE LOCAL DEVELOPMENT COUNCIL AND ANY  
15 TESTIMONY PRESENTED AT THE HEARING BEFORE ADOPTING THE PLAN  
16 REQUIRED UNDER THIS SUBSECTION.

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

20 **9-1A-31.**

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

23           (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE  
24 IMMEDIATE PROXIMITY TO THE FACILITY; AND

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

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

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

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

6                   (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL  
7 INCLUDE PROVISIONS ON ROADS AND MASS TRANSIT.

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

12 **9-1A-32.**

13                   (A) THE COMMISSION SHALL:

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

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

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

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

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

1           (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND  
2 SHALL BE MADE ONLY:

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

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

8                   2. DEVELOP AND IMPLEMENT A PROBLEM  
9 GAMBLING PREVENTION PROGRAM; AND

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

14 **9-1A-33.**

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

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

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

22   **Article - Public Safety**

23 8-102.

24           (a) There is a Senator William H. Amoss Fire, Rescue, and Ambulance Fund.

25           (b) The purposes of the Fund are to promote:

26                   (1) the delivery of effective and high quality fire protection, rescue,  
27 and ambulance services in the State;

1           (2) increased financial support for fire, rescue, and ambulance  
2 companies by counties; and

3           (3) the continued financial viability of volunteer fire, rescue, and  
4 ambulance companies given the greatly increased costs of equipment.

5           (c) (1) The Director shall administer the Fund.

6           (2) Subject to paragraph (3) of this subsection, the Director may adopt  
7 procedures to carry out this subtitle, including additional auditing and reporting  
8 requirements.

9           (3) The Director may not:

10           (i) impose training or operational requirements as a  
11 precondition to receipt of money, except as otherwise expressly provided in this  
12 subtitle; or

13           (ii) require that capital equipment purchased with State money  
14 have a useful life expectancy of greater than 1 year.

15           (d) The Fund consists of money:

16           (1) appropriated in the State budget to the Fund; AND

17           (2) **FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS UNDER**  
18 **§ 9-1A-27 OF THE STATE GOVERNMENT ARTICLE.**

19           (e) (1) As authorized by the Director, the Treasurer shall make payments  
20 out of the Fund to each county on warrant of the Comptroller.

21           (2) The Treasurer shall make the payments required under this  
22 subsection to the appropriate county in approximately equal amounts on or about  
23 August 15, November 15, February 15, and May 15.

24           (f) (1) State money provided under this section may only be used to:

25           (i) acquire or rehabilitate fire or rescue equipment, including  
26 ambulances;

27           (ii) acquire or rehabilitate capital equipment used in connection  
28 with fire or rescue equipment; and



1 (iii) rehabilitate facilities used primarily to house fire fighting  
2 equipment, ambulances, and rescue vehicles.

3 (2) State money provided under this section may not be used:

4 (i) for administrative costs;

5 (ii) for compensation or fringe benefits to employees or members  
6 of county governments, or fire, rescue, or ambulance companies;

7 (iii) for travel or meal expenses;

8 (iv) for fuel, utility, or routine maintenance costs of facilities or  
9 equipment;

10 (v) to acquire new or replacement fire hydrants, water mains, or  
11 emergency alarm systems not installed at a fire, rescue, or ambulance facility;

12 (vi) for insurance;

13 (vii) for fund-raising activities;

14 (viii) to refinance debt or another obligation incurred before July  
15 1, 1985;

16 (ix) to replace or repair eligible items to the extent that  
17 insurance proceeds are available;

18 (x) for costs associated with the "9-1-1" emergency telephone  
19 system; or

20 (xi) for land or interests in land.

21 **Article - State Finance and Procurement**

22 11-203.

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

25 (1) procurement by:

1 (xvi) the Maryland Energy Administration, when negotiating or  
2 entering into grants or cooperative agreements with private entities to meet federal  
3 specifications or solicitation requirements related to energy conservation, energy  
4 efficiency, or renewable energy projects that benefit the State; [and]

5 (xvii) the Maryland Developmental Disabilities Administration of  
6 the Department of Health and Mental Hygiene for family and individual support  
7 services, and individual family care services, as those terms are defined by the  
8 Department of Health and Mental Hygiene in regulation; **AND**

9 **(XVIII) THE STATE LOTTERY AGENCY FOR NEGOTIATING**  
10 **AND ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE,**  
11 **REPAIR, MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS;**

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

14 **Article – State Finance and Procurement**

15 11–203.

16 (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through  
17 (xiii) [and (xvii)], **(XVII), AND (XVIII)** of this section shall be made under procedures  
18 that promote the purposes stated in § 11–201(a) of this subtitle.

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

21 **Article – State Finance and Procurement**

22 11–203.

23 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through  
24 (xiii) [and (xvii)], **(XVIII), AND (XIX)** of this section shall be made under procedures  
25 that promote the purposes stated in § 11–201(a) of this subtitle.

26 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this  
27 Act or the application thereof to any person or circumstance is held invalid for any  
28 reason in a court of competent jurisdiction, the invalidity does not affect other  
29 provisions or any other application of this Act which can be given effect without the  
30 invalid provision or application, and for this purpose the provisions of this Act are  
31 declared severable.

1 SECTION 5. AND BE IT FURTHER ENACTED, That the intent of this Act,  
2 and its various integrated provisions, is to provide for the authorization and regulation  
3 of certain gaming devices for the purpose of generating State revenues and other funds  
4 for specified purposes, including funding public school construction and assisting the  
5 State's racing industry. This section is not intended to detract from the application of  
6 the severability provision contained in Section 4 of this Act or from the ability of a  
7 court of competent jurisdiction to consider and apply appropriate severability  
8 principles in the event of a judicial challenge to the validity of a specific portion or  
9 portions of the bill.

10 SECTION 6. AND BE IT FURTHER ENACTED, That the agency designated by  
11 the Board of Public Works under § 14-303(b) of the State Finance and Procurement  
12 Article of the Annotated Code of Maryland, in consultation with the General Assembly  
13 and the Office of the Attorney General, shall initiate two studies of the requirements  
14 of § 9-1A-09 of the State Government Article as enacted by Section 1 of this Act that  
15 evaluate the continued compliance of the requirement with any federal and  
16 constitutional requirements. In preparation for the studies, the State Lottery  
17 Commission shall require video lottery operation license applicants and licensees to  
18 provide any information necessary to perform the studies. The studies shall also  
19 evaluate race-neutral programs or other methods that can be used to address the  
20 needs of minority investors and minority businesses. A final report of the first study  
21 shall be submitted to the Legislative Policy Committee on or before December 1, 2008,  
22 so that the General Assembly may review the report prior to the 2009 Session. A final  
23 report of the second study shall be submitted to the Legislative Policy Committee on or  
24 before September 30, 2010, so that the General Assembly may review the report in  
25 conjunction with the report of the study on the Minority Business Enterprise Program  
26 prior to the 2011 Session.

27 SECTION 7. AND BE IT FURTHER ENACTED, That the Department of  
28 Transportation shall study the impact of the increased traffic resulting from any  
29 proposed operation of video lottery terminals at Pimlico Race Course, including the  
30 need for an interchange on Jones Falls Expressway between Northern Parkway and  
31 Interstate 695. The Department of Transportation shall provide a final report on the  
32 study required under this section to the General Assembly on or before December 1,  
33 2007, in accordance with § 2-1246 of the State Government Article.

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

- 38 (1) one member in 2008;

1           (2)     one member in 2009; and

2           (3)     two members in 2010.

3           SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
4 take effect June 1, 2007. It shall remain effective until the taking effect of Section 3 of  
5 this Act. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated  
6 and of no further force and effect.

7           SECTION 10. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
8 shall take effect on the expiration of Chapter 402 of the Acts of the General Assembly  
9 of 2003.

10          SECTION 11. AND BE IT FURTHER ENACTED, That, subject to the  
11 provisions of Sections 9 and 10 of this Act, this Act shall take effect June 1, 2007.