

SENATE BILL 541

C7

7lr1391

By: **Senators Klausmeier and Stone**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Vessel Gaming Act**

3 FOR the purpose of authorizing video lottery gaming on certain vessels at dock or
4 underway in State waterways under certain conditions; establishing a State
5 Commission on Vessel Gaming; providing for the membership and chair of the
6 Commission; specifying the terms of the initial members of the Commission;
7 providing for appointment, compensation, powers, and duties of an Executive
8 Director for the Commission; providing for the staff of the Commission;
9 providing for the powers and duties of the Commission; providing for the
10 licensing of gaming vessel operators, gaming vessel suppliers, and video
11 terminal operators; authorizing the Commission to issue a certain number of
12 certain licenses; authorizing the Commission to award a maximum number of
13 video lottery terminals to licensed gaming vessel operators; imposing a certain
14 tax on vessel gaming receipts; requiring the Commission to distribute certain
15 revenues in a certain way; requiring that certain revenues be used for certain
16 purposes; prohibiting certain acts in connection with vessel gaming; providing
17 for certain civil and criminal penalties; requiring the Commission to conduct a
18 certain study and make certain recommendations in connection with vessel
19 gaming; defining certain terms; making certain conforming changes; declaring
20 the intent of this Act; and generally relating to vessel gaming in the State.

21 BY adding to

22 Article – Business Regulation

23 Section 20–101 through 20–701 to be under the new title “Title 20. Maryland
24 Vessel Gaming Act”

25 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2004 Replacement Volume and 2006 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article – Criminal Law
 4 Section 12–102(a), 12–104(a), and 12–105(b) and (c)
 5 Annotated Code of Maryland
 6 (2002 Volume and 2006 Supplement)

7 BY repealing and reenacting, with amendments,
 8 Article – Environment
 9 Section 9–1605.2(g)
 10 Annotated Code of Maryland
 11 (1996 Replacement Volume and 2006 Supplement)

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

14 **Article – Business Regulation**

15 **TITLE 20. MARYLAND VESSEL GAMING ACT.**

16 **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

17 **20–101.**

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

20 (B) “COMMISSION” MEANS THE STATE COMMISSION ON VIDEO
 21 LOTTERY GAMING VESSELS.

22 (C) “CONTROLLING INTEREST” MEANS:

23 (1) FOR A PARTNERSHIP, AN INTEREST AS A GENERAL OR
 24 LIMITED PARTNER;

25 (2) FOR A CORPORATION, AN INTEREST OF AT LEAST 51% OF THE
 26 STOCK IN THE CORPORATION; AND

27 (3) FOR ANY OTHER ENTITY, AN OWNERSHIP INTEREST IN THE
 28 ENTITY.

1 (D) **“ENGAGE IN THE BUSINESS OF OPERATING A GAMING VESSEL”**
2 **MEANS TO ENGAGE IN THE BUSINESS OF OPERATING A GAMING VESSEL FOR THE**
3 **PURPOSE OF CONDUCTING VIDEO LOTTERY GAMING ON THE VESSEL.**

4 (E) **“ENGAGE IN THE BUSINESS OF OPERATING A VIDEO LOTTERY**
5 **TERMINAL” MEANS TO ENGAGE IN THE BUSINESS OF OPERATING A VIDEO**
6 **LOTTERY TERMINAL ON A VIDEO LOTTERY GAMING VESSEL OWNED BY A**
7 **LICENSED VIDEO LOTTERY GAMING VESSEL OPERATOR.**

8 (F) **“ENGAGE IN THE BUSINESS OF SUPPLYING A GAMING VESSEL”**
9 **MEANS TO ENGAGE IN THE BUSINESS OF SUPPLYING VIDEO LOTTERY GAMING**
10 **EQUIPMENT AND SUPPLIES TO A GAMING VESSEL OPERATED BY A LICENSED**
11 **GAMING VESSEL OPERATOR.**

12 (G) **“GAMING VESSEL” MEANS A VESSEL THAT IS USED FOR VIDEO**
13 **LOTTERY GAMING.**

14 (H) **“LICENSE TO OPERATE A GAMING VESSEL” MEANS A LICENSE**
15 **ISSUED BY THE COMMISSION TO ENGAGE IN THE BUSINESS OF OPERATING A**
16 **GAMING VESSEL.**

17 (I) **“LICENSE TO OPERATE A VIDEO LOTTERY TERMINAL” MEANS A**
18 **LICENSE ISSUED BY THE COMMISSION TO ENGAGE IN THE BUSINESS OF**
19 **OPERATING A VIDEO LOTTERY TERMINAL.**

20 (J) **“LICENSE TO SUPPLY A GAMING VESSEL” MEANS A LICENSE ISSUED**
21 **BY THE COMMISSION TO ENGAGE IN THE BUSINESS OF SELLING OR LEASING TO**
22 **A GAMING VESSEL ANY SUPPLIES, EQUIPMENT, OR DEVICES USED TO OPERATE A**
23 **VIDEO LOTTERY TERMINAL OR A GAMING VESSEL.**

24 (K) **“LICENSED GAMING VESSEL OPERATOR” MEANS AN INDIVIDUAL**
25 **WHO IS LICENSED BY THE COMMISSION TO ENGAGE IN THE BUSINESS OF**
26 **OPERATING A GAMING VESSEL.**

27 (L) **“LICENSED GAMING VESSEL SUPPLIER” MEANS A PERSON WHO IS**
28 **LICENSED BY THE COMMISSION TO ENGAGE IN THE BUSINESS OF SELLING OR**
29 **LEASING TO A GAMING VESSEL ANY SUPPLIES, EQUIPMENT, OR DEVICES USED**
30 **TO OPERATE A VIDEO LOTTERY TERMINAL OR A GAMING VESSEL.**

1 (M) **“VESSEL GAMING” MEANS VIDEO LOTTERY GAMING ON A GAMING**
2 **VESSEL OPERATED BY A LICENSED GAMING VESSEL OPERATOR.**

3 (N) **“VIDEO LOTTERY GAMING” MEANS THE OPERATION OF PLAYING A**
4 **VIDEO LOTTERY GAMING TERMINAL FOR WHICH A PRIZE IS AWARDED.**

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

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

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

17 (2) **“VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR**
18 **DEVICE:**

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

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

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

27 **20-102.**

1 (A) **IT IS THE INTENT OF THE GENERAL ASSEMBLY TO ASSIST IN THE**
2 **ECONOMIC DEVELOPMENT OF THE STATE AND TO ENCOURAGE TOURISM BY**
3 **AUTHORIZING VESSEL GAMING.**

4 (B) **IT IS RECOGNIZED THAT IT IS NECESSARY FOR THESE PURPOSES TO**
5 **MAINTAIN PUBLIC CONFIDENCE AND TRUST IN THE CREDIBILITY AND**
6 **INTEGRITY OF THE VESSEL GAMING OPERATIONS AND REGULATORY PROCESS.**

7 (C) **THE REGULATORY PROVISIONS OF THIS TITLE ARE DESIGNED TO**
8 **STRICTLY REGULATE THE FACILITIES, PERSONS, ASSOCIATIONS, AND**
9 **PRACTICES RELATED TO GAMING IN ACCORDANCE WITH POLICE POWERS OF**
10 **THE STATE, INCLUDING COMPREHENSIVE LAW ENFORCEMENT SUPERVISION.**

11 **20-103.**

12 **ANOTHER PROVISION OF LAW THAT PROHIBITS GAMING DOES NOT APPLY**
13 **TO GAMING AUTHORIZED UNDER THIS TITLE.**

14 **SUBTITLE 2. STATE COMMISSION ON VESSEL GAMING.**

15 **20-201.**

16 **THERE IS A STATE COMMISSION ON VESSEL GAMING IN THE**
17 **DEPARTMENT OF LABOR, LICENSING, AND REGULATION.**

18 **20-202.**

19 (A) (1) **THE COMMISSION CONSISTS OF SEVEN MEMBERS.**

20 (2) **OF THE SEVEN COMMISSION MEMBERS:**

21 (I) **ONE SHALL BE EXPERIENCED IN LAW ENFORCEMENT**
22 **AND CRIMINAL INVESTIGATION;**

23 (II) **ONE SHALL BE A CERTIFIED PUBLIC ACCOUNTANT**
24 **EXPERIENCED IN TAXATION, ACCOUNTING, AND AUDITING;**

25 (III) **ONE SHALL BE A LAWYER LICENSED TO PRACTICE LAW**
26 **IN THE STATE;**

1 (IV) ONE SHALL BE A TOURISM AND HOSPITALITY INDUSTRY
2 REPRESENTATIVE;

3 (V) ONE SHALL BE A COMMERCIAL PASSENGER VESSEL
4 REPRESENTATIVE;

5 (VI) ONE SHALL BE A PROFESSIONAL WHO COUNSELS
6 INDIVIDUALS WHO GAMBLE EXCESSIVELY; AND

7 (VII) ONE SHALL BE A MEMBER OF THE PUBLIC WHO IS AT
8 LEAST 21 YEARS OLD.

9 (3) THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE
10 ADVICE OF THE SECRETARY AND WITH THE ADVICE AND CONSENT OF THE
11 SENATE.

12 (B) EACH MEMBER:

13 (1) SHALL BE A RESIDENT OF THE STATE;

14 (2) SHALL HAVE GENERAL KNOWLEDGE OF THE PRACTICE,
15 PROCEDURE, AND PRINCIPLES OF GAMING OPERATIONS;

16 (3) SHALL BE OF GOOD MORAL CHARACTER;

17 (4) MAY NOT BE A LICENSEE OR OTHERWISE BE SUBJECT TO THE
18 REGULATION OF THE COMMISSION;

19 (5) MAY NOT HAVE A FINANCIAL INTEREST IN OR RECEIVE
20 COMPENSATION DIRECTLY OR INDIRECTLY FROM A PERSON REGULATED BY
21 THE COMMISSION;

22 (6) MAY NOT BE A STAFF MEMBER OF THE COMMISSION OR
23 RECEIVE COMPENSATION FROM A PERSON WHO WAS OR IS A MEMBER OF THE
24 COMMISSION; AND

1 **(7) MAY NOT HAVE BEEN CONVICTED OF, OR UNDER INDICTMENT**
2 **FOR, A FELONY UNDER THE LAWS OF THIS STATE, ANOTHER STATE, A**
3 **TERRITORY OF THE UNITED STATES, OR THE UNITED STATES.**

4 **(C) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE COMMISSION**
5 **SHALL TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND**
6 **CONSTITUTION.**

7 **(D) (1) THE TERM OF A MEMBER IS 3 YEARS.**

8 **(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY**
9 **THE TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON OCTOBER 1,**
10 **2007.**

11 **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
12 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

13 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
14 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
15 **APPOINTED AND QUALIFIES.**

16 **(E) THE GOVERNOR MAY REMOVE A MEMBER FOR CAUSE,**
17 **INCOMPETENCE, OR MISCONDUCT.**

18 **20-203.**

19 **(A) THE GOVERNOR SHALL DESIGNATE A CHAIR FROM AMONG THE**
20 **MEMBERS OF THE COMMISSION.**

21 **(B) (1) THE TERM OF THE CHAIR IS 2 YEARS.**

22 **(2) THE CHAIR MAY NOT SERVE MORE THAN TWO CONSECUTIVE**
23 **TERMS AS CHAIR.**

24 **20-204.**

25 **(A) FOUR MEMBERS OF THE COMMISSION ARE A QUORUM.**

1 **(B) (1) THE COMMISSION SHALL MEET WITHIN THE STATE AT LEAST**
2 **ONCE EVERY 3 MONTHS.**

3 **(2) THE COMMISSION SHALL PUBLISH A TRANSCRIPT OF THE**
4 **MEETING WITHIN 30 DAYS AFTER THE MEETING.**

5 **(C) EACH MEMBER OF THE COMMISSION IS ENTITLED TO**
6 **REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL**
7 **REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

8 **(D) WHILE IN OFFICE, EACH MEMBER OF THE COMMISSION SHALL BE**
9 **COVERED BY A SURETY BOND PROVIDED BY THE COMMISSION IN THE FORM**
10 **AND AMOUNT REQUIRED BY LAW.**

11 **20-205.**

12 **(A) (1) WITH THE APPROVAL OF THE GOVERNOR, THE SECRETARY**
13 **SHALL APPOINT AN EXECUTIVE DIRECTOR FOR THE COMMISSION FROM A LIST**
14 **OF AT LEAST THREE NOMINEES SUBMITTED BY THE COMMISSION.**

15 **(2) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF**
16 **THE COMMISSION.**

17 **(B) THE EXECUTIVE DIRECTOR SHALL:**

18 **(1) COLLECT THE TAXES AND FEES IMPOSED UNDER THIS TITLE**
19 **OR REGULATIONS ADOPTED BY THE COMMISSION;**

20 **(2) KEEP THE RECORDS AND PAPERS OF THE COMMISSION,**
21 **INCLUDING A RECORD OF EACH PROCEEDING;**

22 **(3) ADMINISTER THE LICENSING OF INDIVIDUALS WHO WORK IN**
23 **CONNECTION WITH VESSEL GAMING;**

24 **(4) PREPARE, ISSUE, AND SUBMIT REPORTS OF THE COMMISSION;**

25 **(5) ADMINISTER THE DAILY OPERATION OF THE OFFICE OF THE**
26 **COMMISSION; AND**

1 **(6) PERFORM ANY OTHER DUTY THAT THE COMMISSION DIRECTS.**

2 **(C) THE EXECUTIVE DIRECTOR MAY CONDUCT INVESTIGATIONS INTO**
3 **AND, SUBJECT TO THE STATE BUDGET, MAY EMPLOY AN INVESTIGATIVE STAFF**
4 **TO INVESTIGATE ANY COMPLAINT THAT ALLEGES FACTS THAT CONSTITUTE A**
5 **GROUND FOR:**

6 **(1) DISCIPLINARY ACTION UNDER THIS TITLE; OR**

7 **(2) A VIOLATION OF THIS TITLE.**

8 **(D) THE EXECUTIVE DIRECTOR IS ENTITLED TO:**

9 **(1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET;**
10 **AND**

11 **(2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD**
12 **STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

13 **20-206.**

14 **(A) WITH THE APPROVAL OF THE COMMISSION AND SUBJECT TO THE**
15 **MERIT SYSTEM, THE EXECUTIVE DIRECTOR SHALL APPOINT A STAFF IN**
16 **ACCORDANCE WITH THE STATE BUDGET.**

17 **(B) AN INDIVIDUAL WHO HOLDS A POSITION UNDER THE COMMISSION**
18 **MAY NOT HOLD AN OFFICIAL RELATION TO OR HOLD ANY FINANCIAL INTEREST**
19 **IN CONNECTION WITH A PERSON LICENSED UNDER THIS TITLE OR ANY OTHER**
20 **GAMING ENTERPRISE OR BUSINESS.**

21 **(C) (1) AS A CONDITION OF MEMBERSHIP ON THE COMMISSION OR**
22 **EMPLOYMENT, EACH MEMBER AND EMPLOYEE OF THE COMMISSION SHALL**
23 **PROVIDE THE COMMISSION WITH THE INDIVIDUAL'S FINGERPRINTS.**

24 **(2) THE FINGERPRINTS SHALL BE TAKEN BY A REPRESENTATIVE**
25 **OF A STATE OR FEDERAL LAW ENFORCEMENT AGENCY OR A QUALIFIED**
26 **PRIVATE SECURITY AGENCY THAT THE COMMISSION DESIGNATES.**

27 **20-207.**

1 **(A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS**
2 **TITLE, THE COMMISSION MAY:**

3 **(1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF**
4 **THIS TITLE; AND**

5 **(2) SUE TO ENFORCE ANY PROVISION OF THIS TITLE BY**
6 **INJUNCTION.**

7 **(B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS TITLE,**
8 **THE COMMISSION SHALL:**

9 **(1) KEEP A LIST OF ALL GAMING DEVICE OPERATORS, GAMING**
10 **VESSEL OPERATORS, AND GAMING VESSEL SUPPLIERS WHO ARE CURRENTLY**
11 **LICENSED;**

12 **(2) KEEP A RECORD OF ALL COMMISSION PROCEEDINGS**
13 **AVAILABLE FOR PUBLIC INSPECTION;**

14 **(3) ON OR BEFORE MARCH 1 OF EACH YEAR, SUBMIT A REPORT**
15 **TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT**
16 **ARTICLE, TO THE GENERAL ASSEMBLY ON THE RECEIPTS AND DISBURSEMENTS**
17 **OF THE COMMISSION, ACTIONS TAKEN BY THE COMMISSION, AND ANY**
18 **ADDITIONAL INFORMATION REQUESTED BY THE GOVERNOR OR THE GENERAL**
19 **ASSEMBLY;**

20 **(4) PROVIDE STAFF TO SUPERVISE AND INSPECT THE OPERATION**
21 **OF VESSEL GAMING;**

22 **(5) PROVIDE FOR THE INVESTIGATION OF ANY COMPLAINTS**
23 **RELATING TO VESSEL GAMING;**

24 **(6) PROVIDE FOR THE INSPECTION OF EQUIPMENT AND SUPPLIES**
25 **USED IN VESSEL GAMING; AND**

26 **(7) REVIEW COMPLAINTS FROM LICENSEES RELATING TO**
27 **INVESTIGATIVE PROCEDURES OR INSPECTIONS OF THE COMMISSION OR ITS**
28 **STAFF.**

1 **20-208.**

2 (A) THE COMMISSION MAY REQUIRE THAT A LICENSED GAMING VESSEL
3 OPERATOR OR LICENSED GAMING VESSEL SUPPLIER KEEP FINANCIAL RECORDS
4 IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND
5 GUIDELINES.

6 (B) THE COMMISSION OR THE EXECUTIVE DIRECTOR MAY ADMINISTER
7 OATHS.

8 (C) THE COMMISSION MAY ISSUE A SUBPOENA FOR THE ATTENDANCE
9 OF A WITNESS TO TESTIFY AND TO PRODUCE EVIDENCE.

10 (D) THE COMMISSION MAY ENTER OR INVESTIGATE THE GAMING
11 VESSEL OF A LICENSED GAMING VESSEL OPERATOR TO ENSURE THAT THE
12 REGULATIONS OF THE COMMISSION ARE STRICTLY COMPLIED WITH.

13 (E) SUBJECT TO A SUBSEQUENT HEARING UNDER TITLE 10, SUBTITLE
14 2 OF THE STATE GOVERNMENT ARTICLE, THE COMMISSION MAY:

15 (1) REQUIRE THAT AN EMPLOYEE OR OFFICIAL OF A LICENSED
16 GAMING VESSEL OPERATOR BE REMOVED FROM THE JOB; OR

17 (2) EJECT OR EXCLUDE ANY PERSON FROM A GAMING VESSEL IF
18 THE PERSON IS IN VIOLATION OF THIS TITLE OR ANY REGULATION ADOPTED
19 UNDER THIS TITLE OR INTERFERES WITH THE ORDERLY CONDUCT OF VESSEL
20 GAMING.

21 **20-209.**

22 (A) THE FEES FOR ISSUANCE AND RENEWAL OF LICENSES SHALL BE
23 THOSE SPECIFICALLY SET BY THIS TITLE.

24 (B) THE COMMISSION SHALL PAY ALL FEES COLLECTED UNDER THIS
25 TITLE INTO THE GENERAL FUND OF THE STATE.

26 **20-210.**

1 (A) (1) THE COMMISSION SHALL REQUIRE LICENSED GAMING
2 VESSEL OPERATORS TO USE A CASHLESS WAGERING SYSTEM FOR THE VESSEL
3 GAMING AUTHORIZED UNDER THIS TITLE.

4 (2) A CASHLESS WAGERING SYSTEM USED BY A LICENSED
5 GAMING VESSEL OPERATOR SHALL REQUIRE THAT CASH OF A WAGERER BE
6 CONVERTED TO TOKENS, ELECTRONIC CARDS, OR CHIPS BEFORE ANY
7 WAGERING IS DONE ON THE GAMING VESSEL.

8 (3) A LICENSED GAMING VESSEL OPERATOR OR LICENSED
9 GAMING DEVICE OPERATOR MAY NOT LEND MONEY OR GRANT CREDIT TO ANY
10 PERSON IN CONNECTION WITH VESSEL GAMING.

11 (B) THE COMMISSION SHALL ADOPT REGULATIONS BY APRIL 1, 2008,
12 THAT:

13 (1) ESTABLISH MINIMUM LEVELS OF INSURANCE TO BE
14 MAINTAINED BY A LICENSEE OF THE COMMISSION;

15 (2) SET STANDARDS FOR VIDEO LOTTERY TERMINALS;

16 (3) SET STANDARDS FOR GAMING VESSELS AND FACILITIES FOR
17 VESSEL GAMING; AND

18 (4) PROVIDE FOR ENFORCEMENT OF THE PROVISIONS OF THIS
19 SUBTITLE.

20 **20-211.**

21 (A) THE COMMISSION SHALL COORDINATE WITH THE LAW
22 ENFORCEMENT OFFICERS OF THE STATE AND THE LAW ENFORCEMENT
23 OFFICERS OF APPROPRIATE POLITICAL SUBDIVISIONS OF THE STATE TO
24 ENFORCE THE PROVISIONS OF THIS TITLE.

25 (B) THE LAW ENFORCEMENT OFFICERS OF THE STATE AND POLITICAL
26 SUBDIVISIONS OF THE STATE SHALL COOPERATE WITH THE COMMISSION TO
27 ENFORCE THE PROVISIONS OF THIS TITLE.

1 (C) THE COSTS OF SERVICES PROVIDED BY LAW ENFORCEMENT
 2 OFFICERS OF THE STATE OR A POLITICAL SUBDIVISION OF THE STATE IN
 3 CONNECTION WITH ENFORCEMENT OF PROVISIONS OF THIS TITLE SHALL BE
 4 PAID BY THE COMMISSION AS PROVIDED IN THE STATE BUDGET.

5 **SUBTITLE 3. LICENSING.**

6 **20-301.**

7 (A) IN THIS SUBTITLE, "LICENSE" MEANS A LICENSE ISSUED BY THE
 8 COMMISSION.

9 (B) IN THIS SUBTITLE, "LICENSE" INCLUDES:

10 (1) A LICENSE TO OPERATE A VIDEO LOTTERY TERMINAL;

11 (2) A LICENSE TO OPERATE A GAMING VESSEL; OR

12 (3) A LICENSE TO SUPPLY A GAMING VESSEL.

13 **20-302.**

14 (A) AN INDIVIDUAL MUST HAVE A LICENSE TO OPERATE A VIDEO
 15 LOTTERY TERMINAL WHENEVER THE INDIVIDUAL ENGAGES IN THE BUSINESS
 16 OF OPERATING A VIDEO LOTTERY TERMINAL IN THE STATE.

17 (B) A PERSON MUST HAVE A LICENSE TO OPERATE A GAMING VESSEL
 18 WHENEVER THE PERSON ENGAGES IN THE BUSINESS OF OPERATING A GAMING
 19 VESSEL IN THE STATE.

20 (C) A PERSON MUST HAVE A LICENSE TO SUPPLY A GAMING VESSEL
 21 WHENEVER THE PERSON ENGAGES IN THE BUSINESS OF SUPPLYING GAMING
 22 SUPPLIES TO A GAMING VESSEL IN THE STATE.

23 **20-303.**

24 (A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE A PERSON
 25 WHO MEETS THE REQUIREMENTS OF THIS SECTION.

1 **(B) THE APPLICANT, IF THE APPLICANT IS AN INDIVIDUAL, OR EACH**
2 **INDIVIDUAL HOLDING A CONTROLLING INTEREST IN AN APPLICANT, SHALL:**

3 **(1) BE OF GOOD CHARACTER AND REPUTATION;**

4 **(2) BE AT LEAST 21 YEARS OLD; AND**

5 **(3) MEET ANY OTHER QUALIFICATIONS OR REQUIREMENTS THAT**
6 **THE COMMISSION ESTABLISHES BY REGULATION FOR LICENSE APPLICANTS.**

7 **(C) IN ADDITION TO THE QUALIFICATIONS SPECIFIED IN SUBSECTION**
8 **(B) OF THIS SECTION, AN APPLICANT FOR A LICENSE TO OPERATE A GAMING**
9 **VESSEL MUST OPERATE A GAMING VESSEL THAT:**

10 **(1) HAS A CAPACITY OF AT LEAST 400 INDIVIDUALS;**

11 **(2) IS LICENSED BY THE U.S. COAST GUARD TO OPERATE ON**
12 **LAKES, BAYS, SOUNDS, AND THE CHESAPEAKE BAY AND ITS TRIBUTARIES;**

13 **(3) IS ACCESSIBLE TO DISABLED INDIVIDUALS;**

14 **(4) IS FULLY REGISTERED AND LICENSED IN ACCORDANCE WITH**
15 **ANY OTHER APPLICABLE LAWS;**

16 **(5) IS NOT LONGER THAN 150 FEET;**

17 **(6) DOES NOT HAVE OVERNIGHT CABIN ACCOMMODATIONS; AND**

18 **(7) MEETS ANY OTHER QUALIFICATIONS SPECIFIED BY**
19 **REGULATIONS ADOPTED BY THE COMMISSION.**

20 **(D) IN ADDITION TO THE QUALIFICATIONS SPECIFIED IN SUBSECTION**
21 **(B) OF THIS SECTION, AN APPLICANT FOR A LICENSE TO SUPPLY GAMING**
22 **SUPPLIES TO A GAMING VESSEL SHALL DEMONSTRATE THAT THE GAMING**
23 **EQUIPMENT AND SUPPLIES THAT THE APPLICANT PLANS TO SELL OR LEASE TO**
24 **A LICENSED GAMING VESSEL OPERATOR CONFORMS TO STANDARDS**
25 **ESTABLISHED BY REGULATIONS OF THE COMMISSION AND STATE LAW.**

1 **(E) IN ADDITION TO THE QUALIFICATIONS SPECIFIED IN SUBSECTION**
2 **(B) OF THIS SECTION, AN APPLICANT FOR A LICENSE TO OPERATE A GAMING**
3 **VESSEL MUST RECEIVE A STATEMENT FROM THE COUNTY WHERE THE GAMING**
4 **VESSEL IS TO HAVE ITS HOME DOCK DECLARING:**

5 **(1) THAT THE COUNTY APPROVES OF THE APPLICANT'S INTENT**
6 **TO HAVE A GAMING VESSEL DOCK IN THE COUNTY;**

7 **(2) THE TIMES VIDEO LOTTERY GAMING MAY BE CONDUCTED ON**
8 **THE GAMING VESSEL; AND**

9 **(3) WHETHER THE GAMING VESSEL MAY CONDUCT VIDEO**
10 **LOTTERY GAMING WHILE DOCKED OR ONLY WHEN UNDERWAY ON A WATERWAY**
11 **WITHIN THE STATE ON WHICH A GAMING VESSEL CAN BE SAFELY OPERATED.**

12 **20-304.**

13 **(A) AN APPLICANT FOR A LICENSE SHALL:**

14 **(1) SUBMIT AN APPLICATION TO THE COMMISSION ON THE FORM**
15 **THAT THE COMMISSION REQUIRES; AND**

16 **(2) PAY TO THE COMMISSION AN APPLICATION FEE:**

17 **(I) IN THE AMOUNT SET BY REGULATION BY THE**
18 **COMMISSION FOR A LICENSE TO OPERATE A VIDEO LOTTERY TERMINAL;**

19 **(II) \$5,000 FOR A LICENSE TO SUPPLY A GAMING VESSEL;**
20 **AND**

21 **(III) \$25,000 FOR A LICENSE TO OPERATE A GAMING VESSEL.**

22 **(B) AN APPLICATION FOR A LICENSE TO OPERATE A GAMING VESSEL**
23 **SHALL CONTAIN:**

24 **(1) THE IDENTITY OF ANY PERSON WHO HAS A LEGAL INTEREST**
25 **IN THE GAMING VESSEL ON WHICH GAMING IS TO BE CONDUCTED BY THE**
26 **APPLICANT;**

1 (2) THE LOCATION WHERE THE GAMING VESSEL IS TO BE
2 DOCKED;

3 (3) THE IDENTITY AND ADDRESS OF EACH INDIVIDUAL WHO HAS A
4 CONTROLLING INTEREST IN THE APPLICANT, IF THE APPLICANT IS NOT AN
5 INDIVIDUAL;

6 (4) PERSONAL INFORMATION ON THE APPLICANT, IF THE
7 APPLICANT IS AN INDIVIDUAL, OR ON ANY INDIVIDUAL OWNING A CONTROLLING
8 INTEREST IN THE APPLICANT; AND

9 (5) ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.

10 (C) AN INCOMPLETE APPLICATION IS CAUSE FOR DENIAL OF A LICENSE
11 BY THE COMMISSION.

12 **20-305.**

13 (A) EACH APPLICANT, IF THE APPLICANT IS AN INDIVIDUAL, OR EACH
14 INDIVIDUAL HOLDING A LEGAL INTEREST IN THE APPLICANT, SHALL SUBMIT
15 TWO SETS OF FINGERPRINTS.

16 (B) THE FINGERPRINTS SHALL BE TAKEN BY A REPRESENTATIVE OF A
17 STATE OR FEDERAL LAW ENFORCEMENT AGENCY OR A QUALIFIED PRIVATE
18 SECURITY AGENCY THAT THE COMMISSION DESIGNATES.

19 **20-306.**

20 (A) WHEN AN APPLICANT FOR A LICENSE TO OPERATE A GAMING
21 VESSEL SUBMITS AN APPLICATION, THE APPLICANT SHALL PAY AN
22 INVESTIGATION FEE OF \$50,000.

23 (B) (1) THE INVESTIGATION FEE REQUIRED UNDER THIS SECTION
24 SHALL BE APPLIED TO THE COSTS OF ANY INVESTIGATION OF THE APPLICANT
25 REQUIRED UNDER THIS TITLE.

26 (2) (1) IF THE COSTS OF THE INVESTIGATION OF AN APPLICANT
27 ARE GREATER THAN \$50,000, THE INVESTIGATIVE AGENCY SHALL SHOW CAUSE
28 FOR THE ADDITIONAL COST.

1 **(II) IF THE COMMISSION APPROVES, THE APPLICANT SHALL**
2 **PAY THE ADDITIONAL COSTS AS REQUIRED BY THE COMMISSION.**

3 **(3) IF THE COSTS OF THE INVESTIGATION OF AN APPLICANT ARE**
4 **LESS THAN ANY AMOUNTS PAID TO THE COMMISSION FOR INVESTIGATION, THE**
5 **COMMISSION SHALL REFUND THE DIFFERENCE.**

6 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
7 **SUBSECTION, THE INFORMATION OBTAINED BY THE COMMISSION IN**
8 **CONNECTION WITH APPLICATION FOR A LICENSE TO OPERATE A GAMING**
9 **VESSEL OR IN THE COURSE OF EVALUATING OR INVESTIGATING AN APPLICANT**
10 **SHALL BE PRIVILEGED, STRICTLY CONFIDENTIAL, AND USED ONLY FOR THE**
11 **PURPOSE OF EVALUATING THE APPLICATION.**

12 **(2) EXCEPT FOR ANY ACTION DEEMED NECESSARY BY THE**
13 **COMMISSION, THE INFORMATION OBTAINED BY THE COMMISSION IN**
14 **CONNECTION WITH APPLICATION FOR A LICENSE TO OPERATE A GAMING**
15 **VESSEL OR IN THE COURSE OF EVALUATING OR INVESTIGATING AN APPLICANT**
16 **MAY NOT BE ADMISSIBLE AS EVIDENCE OR DISCOVERABLE IN ANY**
17 **ADMINISTRATIVE HEARING OR COURT ACTION.**

18 **20-307.**

19 **(A) AN APPLICANT FOR A LICENSE TO OPERATE A GAMING VESSEL**
20 **SHALL EXECUTE A SURETY BOND TO BE GIVEN TO THE STATE TO GUARANTEE**
21 **THE LICENSEE FAITHFULLY MAKES THE PAYMENTS, KEEPS BOOKS AND**
22 **RECORDS, MAKES REPORTS, AND CONDUCTS GAMING ON THE LICENSEE'S**
23 **GAMING VESSEL IN ACCORDANCE WITH THIS TITLE AND REGULATIONS**
24 **ADOPTED BY THE COMMISSION.**

25 **(B) THE SURETY BOND SHALL BE:**

26 **(1) IN THE AMOUNT OF \$200,000;**

27 **(2) IN A FORM THAT THE COMMISSION APPROVES; AND**

28 **(3) WITH A SURETY THAT THE COMMISSION APPROVES.**

1 **20-308.**

2 **THE COMMISSION SHALL ISSUE A LICENSE TO EACH APPLICANT FOR A**
3 **LICENSE TO OPERATE A GAMING DEVICE OR A LICENSE TO SUPPLY A GAMING**
4 **VESSEL WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

5 **20-309.**

6 **(A) (1) THE COMMISSION MAY NOT ISSUE MORE THAN:**

7 **(I) 16 LICENSES TO OPERATE A GAMING VESSEL;**

8 **(II) ONE LICENSE TO OPERATE THE SAME GAMING VESSEL;**

9 **OR**

10 **(III) ONE LICENSE TO THE SAME GAMING VESSEL OPERATOR.**

11 **(2) THE PERSON LICENSED TO OPERATE A GAMING VESSEL IS**
12 **PRIMARILY RESPONSIBLE FOR THAT GAMING VESSEL.**

13 **(3) THE COMMISSION MAY AWARD TO LICENSED GAMING VESSEL**
14 **OPERATORS UP TO 15,500 VIDEO LOTTERY TERMINALS FOR OPERATION ON**
15 **GAMING VESSELS.**

16 **(B) IN DETERMINING WHETHER TO GRANT A LICENSE TO OPERATE A**
17 **GAMING VESSEL TO AN APPLICANT, THE COMMISSION SHALL CONSIDER:**

18 **(1) THE CHARACTER, REPUTATION, EXPERIENCE, AND FINANCIAL**
19 **INTEGRITY OF THE APPLICANT AND ANY INDIVIDUAL WHO HOLDS A**
20 **CONTROLLING INTEREST IN THE APPLICANT;**

21 **(2) THE HIGHEST PROSPECTIVE TOTAL REVENUE TO BE DERIVED**
22 **BY THE STATE FROM THE CONDUCT OF VESSEL GAMING;**

23 **(3) THE GOOD FAITH AFFIRMATIVE ACTION PLAN OF EACH**
24 **APPLICANT TO RECRUIT, TRAIN, AND UPGRADE MINORITIES, WOMEN, AND THE**
25 **UNEMPLOYED IN ALL EMPLOYMENT CLASSIFICATIONS;**

1 (4) THE FINANCIAL ABILITY OF THE APPLICANT TO PURCHASE
2 AND MAINTAIN ADEQUATE LIABILITY AND CASUALTY INSURANCE;

3 (5) WHETHER THE APPLICANT HAS ADEQUATE CAPITALIZATION
4 TO PROVIDE AND MAINTAIN A GAMING VESSEL FOR THE DURATION OF A
5 LICENSE; AND

6 (6) THE EXTENT TO WHICH THE APPLICANT MEETS OR EXCEEDS
7 OTHER STANDARDS FOR THE ISSUANCE OF A LICENSE TO OPERATE A GAMING
8 VESSEL THAT THE COMMISSION ADOPTS BY REGULATION.

9 (C) THE COMMISSION SHALL INCLUDE ON EACH LICENSE TO OPERATE
10 A GAMING VESSEL THAT THE COMMISSION ISSUES:

11 (1) THE IDENTITY AND ADDRESS OF THE LICENSEE;

12 (2) THE EFFECTIVE DATES OF THE LICENSE;

13 (3) THE NUMBER OF GAMING VESSELS THAT THE LICENSEE MAY
14 OPERATE UNDER THIS TITLE; AND

15 (4) ANY OTHER INFORMATION THE COMMISSION DEEMS
16 APPROPRIATE.

17 **20-310.**

18 (A) A LICENSE TO OPERATE A VIDEO LOTTERY TERMINAL AUTHORIZES
19 THE LICENSEE TO ENGAGE IN THE BUSINESS OF OPERATING A VIDEO LOTTERY
20 TERMINAL WHILE THE LICENSE IS EFFECTIVE.

21 (B) A LICENSE TO OPERATE A GAMING VESSEL AUTHORIZES THE
22 LICENSEE TO ENGAGE IN THE BUSINESS OF OPERATING A GAMING VESSEL
23 WHILE THE LICENSE IS EFFECTIVE.

24 (C) A LICENSE TO SUPPLY A GAMING VESSEL AUTHORIZES THE
25 LICENSEE TO ENGAGE IN THE BUSINESS OF SUPPLYING A GAMING VESSEL
26 WHILE THE LICENSE IS EFFECTIVE.

27 **20-311.**

1 **(A) A LICENSE EXPIRES ON THE FIFTH ANNIVERSARY OF ITS EFFECTIVE**
2 **DATE, UNLESS THE LICENSE IS RENEWED FOR A 5-YEAR TERM AS PROVIDED IN**
3 **THIS SECTION.**

4 **(B) AT LEAST 2 MONTHS BEFORE THE LICENSE EXPIRES, THE**
5 **COMMISSION SHALL SEND TO THE LICENSEE, BY MAIL TO THE LAST KNOWN**
6 **ADDRESS OF THE LICENSEE, A RENEWAL APPLICATION FORM AND A NOTICE**
7 **THAT STATES:**

8 **(1) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;**

9 **(2) THE DATE BY WHICH THE COMMISSION MUST RECEIVE THE**
10 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE**
11 **THE LICENSE EXPIRES; AND**

12 **(3) THE AMOUNT OF THE RENEWAL FEE.**

13 **(C) BEFORE THE LICENSE EXPIRES, THE LICENSEE PERIODICALLY MAY**
14 **RENEW IT FOR AN ADDITIONAL 5-YEAR TERM, IF THE LICENSEE:**

15 **(1) OTHERWISE IS ENTITLED TO BE LICENSED;**

16 **(2) PAYS TO THE COMMISSION A RENEWAL FEE:**

17 **(I) AS SET BY THE COMMISSION FOR A LICENSE TO**
18 **OPERATE A VIDEO LOTTERY TERMINAL;**

19 **(II) OF \$5,000 FOR A LICENSE TO OPERATE A GAMING**
20 **VESSEL; AND**

21 **(III) OF \$5,000 FOR A LICENSE TO SUPPLY A GAMING**
22 **VESSEL; AND**

23 **(3) SUBMITS TO THE COMMISSION:**

24 **(I) A RENEWAL APPLICATION ON THE FORM THAT THE**
25 **COMMISSION REQUIRES; AND**

1 (II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH ANY
2 ADDITIONAL REQUIREMENTS SET BY REGULATIONS OF THE COMMISSION FOR
3 LICENSE RENEWAL.

4 (D) IN ADDITION TO OTHER REQUIREMENTS OF THE COMMISSION:

5 (1) A LICENSED GAMING VESSEL OPERATOR SHALL SUBMIT AN
6 AUDIT BY A CERTIFIED PUBLIC ACCOUNTANT OF THE FINANCIAL TRANSACTIONS
7 AND CONDITION OF THE LICENSEE'S TOTAL OPERATIONS; AND

8 (2) A LICENSED GAMING VESSEL SUPPLIER SHALL SUBMIT:

9 (I) A LIST OF ALL EQUIPMENT, VIDEO LOTTERY
10 TERMINALS, AND SUPPLIES OFFERED FOR SALE OR LEASE IN CONNECTION WITH
11 VESSEL GAMING UNDER THIS TITLE; AND

12 (II) AN INVENTORY OF ITS EQUIPMENT, VIDEO LOTTERY
13 TERMINALS, AND SUPPLIES FOR SALE OR LEASE IN CONNECTION WITH VESSEL
14 GAMING UNDER THIS TITLE.

15 (E) THE COMMISSION SHALL RENEW THE LICENSE AND ISSUE A
16 RENEWAL CERTIFICATE TO EACH LICENSEE WHO MEETS THE REQUIREMENTS
17 OF THIS SECTION.

18 **20-312.**

19 (A) EACH LICENSEE SHALL DISPLAY THE LICENSE CONSPICUOUSLY IN
20 THE OFFICE OR PLACE OF BUSINESS OF THE LICENSEE.

21 (B) EACH LICENSED GAMING VESSEL OPERATOR SHALL KEEP A
22 CERTIFICATE OF INSPECTION ON THE GAMING VESSEL AT ALL TIMES.

23 (C) EACH LICENSEE SHALL GIVE THE COMMISSION WRITTEN NOTICE
24 OF ANY CHANGE OF ADDRESS.

25 **20-313.**

26 (A) SUBJECT TO THE HEARING PROVISIONS OF § 20-314 OF THIS
27 SUBTITLE, THE COMMISSION, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF

1 ITS MEMBERS THEN SERVING, MAY DENY A LICENSE TO ANY APPLICANT,
2 REPRIMAND ANY LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF THE
3 APPLICANT OR LICENSEE OR AN INDIVIDUAL HOLDING A CONTROLLING
4 INTEREST IN THE APPLICANT OR LICENSEE:

5 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
6 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;

7 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE; OR

8 (3) HAS BEEN CONVICTED OF A FELONY UNDER THE LAWS OF
9 THIS STATE, ANOTHER STATE, A TERRITORY OF THE UNITED STATES, OR THE
10 UNITED STATES.

11 (B) INSTEAD OF OR IN ADDITION TO REPRIMANDING A LICENSEE OR
12 SUSPENDING OR REVOKING A LICENSE, THE COMMISSION MAY IMPOSE A CIVIL
13 PENALTY UNDER § 20-601 OF THIS TITLE.

14 (C) (1) THIS SUBSECTION APPLIES TO AN APPLICANT FOR OR
15 LICENSEE OF A LICENSE TO OPERATE A GAMING VESSEL.

16 (2) IN ADDITION TO THE GROUNDS SPECIFIED IN SUBSECTION (A)
17 OF THIS SECTION, AND SUBJECT TO THE HEARING PROVISIONS OF § 20-314 OF
18 THIS SUBTITLE, THE COMMISSION, ON THE AFFIRMATIVE VOTE OF A MAJORITY
19 OF ITS MEMBERS THEN SERVING, MAY DENY A LICENSE TO ANY APPLICANT,
20 REPRIMAND ANY LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF THE
21 APPLICANT OR LICENSEE OR AN INDIVIDUAL HOLDING A CONTROLLING
22 INTEREST IN THE APPLICANT OR LICENSEE:

23 (I) EMPLOYS AN INDIVIDUAL IN A MANAGEMENT POSITION
24 WHO HAS BEEN CONVICTED OF A FELONY UNDER THE LAWS OF THIS STATE,
25 ANOTHER STATE, A TERRITORY OF THE UNITED STATES, OR THE UNITED
26 STATES;

27 (II) OWNS MORE THAN 50% OF A PERSON HOLDING A
28 LICENSE TO OPERATE A GAMING VESSEL; OR

1 (III) HAS HAD A LICENSE UNDER THIS TITLE, OR A LICENSE
2 TO OWN OR OPERATE A GAMING FACILITY IN THIS STATE OR ANY OTHER
3 JURISDICTION, REVOKED.

4 **20-314.**

5 (A) EXCEPT AS OTHERWISE PROVIDED IN TITLE 10, SUBTITLE 4 OF THE
6 STATE GOVERNMENT ARTICLE, BEFORE THE COMMISSION TAKES ANY ACTION
7 UNDER § 20-313 OF THIS SUBTITLE, IT SHALL GIVE THE INDIVIDUAL AGAINST
8 WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING
9 BEFORE THE COMMISSION.

10 (B) THE COMMISSION SHALL GIVE NOTICE AND HOLD THE HEARING IN
11 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT
12 ARTICLE.

13 (C) THE COMMISSION MAY ADMINISTER OATHS IN CONNECTION WITH
14 ANY PROCEEDING UNDER THIS SECTION.

15 (D) THE HEARING NOTICE TO BE GIVEN TO THE PERSON SHALL BE SENT
16 BY CERTIFIED MAIL TO THE LAST KNOWN ADDRESS OF THE PERSON AT LEAST 30
17 DAYS BEFORE THE HEARING.

18 (E) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY
19 COUNSEL.

20 (F) (1) THE COMMISSION MAY ISSUE SUBPOENAS IN CONNECTION
21 WITH ANY PROCEEDING UNDER THIS SECTION.

22 (2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED
23 UNDER THIS SUBSECTION, ON PETITION OF THE COMMISSION, THE CIRCUIT
24 COURT MAY COMPEL OBEDIENCE TO THE SUBPOENA.

25 (G) IF AFTER DUE NOTICE THE INDIVIDUAL AGAINST WHOM THE ACTION
26 IS CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE COMMISSION MAY HEAR
27 AND DETERMINE THE MATTER.

28 (H) ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE
29 COMMISSION IN A CONTESTED CASE, AS DEFINED IN § 10-201 OF THE STATE

1 **GOVERNMENT ARTICLE, MAY TAKE AN APPEAL AS ALLOWED IN §§ 10-215 AND**
2 **10-216 OF THE STATE GOVERNMENT ARTICLE.**

3 **SUBTITLE 4. VESSEL GAMING.**

4 **20-401.**

5 **VESSEL GAMING AND THE SYSTEM OF WAGERING INCORPORATED IN**
6 **VESSEL GAMING ARE AUTHORIZED TO THE EXTENT THEY ARE CONDUCTED AS**
7 **PROVIDED IN THIS TITLE.**

8 **20-402.**

9 **THE COUNTY IN WHICH A GAMING VESSEL HAS ITS HOME DOCK SHALL**
10 **DETERMINE WHETHER VESSEL GAMING AS AUTHORIZED UNDER THIS TITLE MAY**
11 **BE CONDUCTED ON:**

12 **(1) A GAMING VESSEL UNDERWAY ON ANY WATERWAY WITHIN**
13 **THE STATE ON WHICH A GAMING VESSEL CAN BE SAFELY OPERATED; OR**

14 **(2) A GAMING VESSEL AT DOCK:**

15 **(I) DURING PERIODS OF ADVERSE NAVIGABLE OR**
16 **WEATHER CONDITIONS;**

17 **(II) DURING THE PERIOD FROM NOVEMBER 1 THROUGH**
18 **MARCH 31 EACH YEAR; AND**

19 **(III) AT ANY OTHER TIME, DURING THE 45-MINUTE PERIOD**
20 **BEFORE AND AFTER A CRUISE.**

21 **20-403.**

22 **(A) LICENSED GAMING VESSEL OPERATORS MAY SET MINIMUM AND**
23 **MAXIMUM WAGERS USED FOR A VIDEO LOTTERY TERMINAL ON A GAMING**
24 **VESSEL.**

1 (B) VESSEL GAMING MAY ONLY BE CONDUCTED WITH EQUIPMENT,
2 VIDEO LOTTERY TERMINALS, AND SUPPLIES FROM A LICENSED GAMING VESSEL
3 SUPPLIER.

4 (C) A TOKEN, CHIP, OR ELECTRONIC CARD USED TO MAKE A WAGER:

5 (1) SHALL BE PURCHASED FROM A LICENSED GAMING VESSEL
6 OPERATOR FOR USE ON THE OWNER'S GAMING VESSEL; AND

7 (2) MAY ONLY BE USED ON THE GAMING VESSEL OWNED BY THE
8 LICENSED GAMING VESSEL OPERATOR FROM WHICH IT WAS PURCHASED.

9 **SUBTITLE 5. TAX ON VESSEL GAMING.**

10 **20-501.**

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (B) "ADJUSTED GROSS RECEIPTS" MEANS THE GROSS RECEIPTS LESS
14 WINNINGS PAID TO WAGERERS.

15 (C) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF MONEY
16 EXCHANGED FOR THE PURCHASE OF CHIPS, TOKENS, OR ELECTRONIC CARDS BY
17 PATRONS OF A GAMING VESSEL OWNED BY A LICENSED GAMING VESSEL
18 OPERATOR.

19 **20-502.**

20 A TAX IS IMPOSED ON THE ADJUSTED GROSS RECEIPTS RECEIVED BY A
21 LICENSED GAMING VESSEL OPERATOR.

22 **20-503.**

23 THE VESSEL GAMING TAX RATE IS 20% OF THE ADJUSTED GROSS
24 RECEIPTS RECEIVED BY A LICENSED GAMING VESSEL OPERATOR.

25 **20-504.**

1 A LICENSED GAMING VESSEL OPERATOR SHALL FILE WITH THE STATE
2 COMPTRROLLER A VESSEL GAMING TAX RETURN ON OR BEFORE THE 21ST DAY
3 FOLLOWING THE MONTH IN WHICH THE LICENSED GAMING VESSEL OPERATOR
4 RECEIVES ANY GROSS RECEIPTS.

5 **20-505.**

6 A LICENSED GAMING VESSEL OPERATOR SHALL PAY THE VESSEL GAMING
7 TAX WITH THE RETURN THAT COVERS THE MONTH THAT THE LICENSED GAMING
8 VESSEL OPERATOR RECEIVED THE GROSS RECEIPTS SPECIFIED IN THE RETURN.

9 **20-506.**

10 (A) FROM THE VESSEL GAMING TAX, THE STATE COMPTRROLLER SHALL
11 DISTRIBUTE EACH QUARTER THE AMOUNT NECESSARY TO ADMINISTER THE
12 VESSEL GAMING TAX LAWS IN THE PREVIOUS QUARTER TO AN ADMINISTRATIVE
13 COST ACCOUNT.

14 (B) ANY PAYMENTS FOR SERVICES OF LAW ENFORCEMENT OFFICERS
15 MADE UNDER § 20-211 OF THIS TITLE SHALL BE PAID FROM THE
16 ADMINISTRATIVE COST ACCOUNT BY THE 5TH DAY AFTER THE END OF EACH
17 QUARTER.

18 **20-507.**

19 (A) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 20-506 OF
20 THIS SUBTITLE, THE COMMISSION SHALL DISTRIBUTE 50% OF THE VESSEL
21 GAMING TAX REVENUE TO THE COUNTIES THAT ARE DESIGNATED AS THE HOME
22 DOCKS OF ANY GAMING VESSELS.

23 (B) THE DISTRIBUTION MADE UNDER SUBSECTION (A) OF THIS SECTION
24 SHALL BE MADE IN THE PROPORTION OF THE VESSEL GAMING TAX REVENUE
25 RECEIVED FROM LICENSED GAMING VESSEL OPERATORS THAT HAVE THEIR
26 HOME DOCK IN THAT COUNTY.

27 (C) THE MONEY DISTRIBUTED TO A COUNTY UNDER THIS SECTION
28 SHALL BE USED TO HELP PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN
29 ATTENDING PUBLIC SCHOOLS IN THE COUNTY IN PREKINDERGARTEN THROUGH
30 GRADE 12.

1 **20-508.**

2 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 20-506 AND**
3 **20-507 OF THIS SUBTITLE, THE COMMISSION SHALL DISTRIBUTE THE**
4 **REMAINING VESSEL GAMING TAX REVENUE TO THE BAY RESTORATION FUND**
5 **UNDER § 9-1605.2 OF THE ENVIRONMENT ARTICLE.**

6 **SUBTITLE 6. PROHIBITED ACTS; PENALTIES.**

7 **20-601.**

8 **A PERSON MAY NOT ENGAGE IN THE BUSINESS OF, ATTEMPT TO ENGAGE**
9 **IN THE BUSINESS OF, OR OFFER TO ENGAGE IN THE BUSINESS OF OPERATING A**
10 **VIDEO LOTTERY TERMINAL, OPERATING A GAMING VESSEL, OR SUPPLYING A**
11 **GAMING VESSEL IN THE STATE UNLESS LICENSED BY THE COMMISSION.**

12 **20-602.**

13 **A PERSON ON A LICENSED GAMING VESSEL MAY NOT USE, OR POSSESS**
14 **WITH THE INTENT TO USE, ANY DEVICE TO ASSIST IN DEFRAUDING, CHEATING,**
15 **OR OTHERWISE BRINGING INTO RISK THE LEGITIMATE OPERATION, INTEGRITY,**
16 **OR OUTCOME OF THE VESSEL GAMING OPERATIONS.**

17 **20-603.**

18 **UNLESS AUTHORIZED TO ENGAGE IN THE BUSINESS OF OPERATING A**
19 **VIDEO LOTTERY TERMINAL, OPERATING A GAMING VESSEL, OR SUPPLYING A**
20 **GAMING VESSEL UNDER THIS TITLE, A PERSON MAY NOT REPRESENT TO THE**
21 **PUBLIC BY USE OF THE TITLE “LICENSED VIDEO LOTTERY TERMINAL**
22 **OPERATOR”, “LICENSED GAMING VESSEL OPERATOR”, OR “LICENSED GAMING**
23 **VESSEL SUPPLIER”, BY OTHER TITLE, BY DESCRIPTION OF SERVICES OR**
24 **OTHERWISE, THAT THE PERSON IS AUTHORIZED TO ENGAGE IN THE BUSINESS**
25 **OF OPERATING A VIDEO LOTTERY TERMINAL, OPERATING A GAMING VESSEL, OR**
26 **SUPPLYING A GAMING VESSEL.**

27 **20-604.**

28 **AN INDIVIDUAL UNDER THE AGE OF 21 YEARS MAY NOT:**

1 (1) BOARD A GAMING VESSEL ON WHICH GAMING IS BEING
2 CONDUCTED; OR

3 (2) PARTICIPATE IN ANY GAMING ON A GAMING VESSEL.

4 **20-605.**

5 EQUIPMENT, VIDEO LOTTERY TERMINAL, OR SUPPLIES FOR VESSEL
6 GAMING MAY NOT BE USED UNLESS PURCHASED FROM A LICENSED GAMING
7 VESSEL SUPPLIER.

8 **20-606.**

9 A PERSON LICENSED UNDER THIS TITLE MAY NOT PERMIT ANY FORM OF
10 WAGERING EXCEPT AS AUTHORIZED UNDER THIS TITLE.

11 **20-607.**

12 A PERSON MAY NOT PARTICIPATE IN VESSEL GAMING UNLESS THE
13 PERSON IS PRESENT ON A GAMING VESSEL THAT IS OWNED BY A LICENSED
14 GAMING VESSEL OPERATOR.

15 **20-608.**

16 AN INTOXICATED INDIVIDUAL MAY NOT BOARD A GAMING VESSEL OR
17 PARTICIPATE IN VESSEL GAMING.

18 **20-609.**

19 THE COMMISSION MAY IMPOSE ON A PERSON WHO VIOLATES A POSITION
20 OF THIS SUBTITLE A CIVIL PENALTY NOT EXCEEDING \$5,000 FOR EACH
21 VIOLATION, WHETHER OR NOT THE PERSON IS LICENSED UNDER THIS TITLE.

22 **20-610.**

23 A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE IS GUILTY
24 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
25 EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

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SUBTITLE 7. SHORT TITLE.

20-701.

THIS TITLE MAY BE CITED AS THE “MARYLAND VESSEL GAMING ACT”.

Article – Criminal Law

12-102.

(a) [A] **EXCEPT AS PROVIDED IN TITLE 20 OF THE BUSINESS REGULATION ARTICLE,** A person may not:

- (1) bet, wager, or gamble;
- (2) make or sell a book or pool on the result of a race, contest, or contingency;
- (3) establish, keep, rent, use, or occupy, or knowingly allow to be established, kept, rented, used, or occupied, all or a part of a building, vessel, or place, on land or water, within the State, for the purpose of:
 - (i) betting, wagering, or gambling; or
 - (ii) making, selling, or buying books or pools on the result of a race, contest, or contingency; or
- (4) receive, become the depository of, record, register, or forward, or propose, agree, or pretend to forward, money or any other thing or consideration of value, to be bet, wagered, or gambled on the result of a race, contest, or contingency.

12-104.

(a) [A] **EXCEPT AS PROVIDED IN TITLE 20 OF THE BUSINESS REGULATION ARTICLE,** A person may not:

- (1) keep a gaming device, or all or a part of a building, vessel, or place, on land or water within the State for the purpose of gambling;
- (2) own, rent, or occupy all or a part of a building, vessel, or place and knowingly allow a gaming device to be kept in the building, vessel, or place;

1 (3) lease or rent all or a part of a building, vessel, or place to be used
2 for the purpose of gambling;

3 (4) deal at a gaming device or in a building, vessel, or place for
4 gambling;

5 (5) manage a gaming device or a building, vessel, or place for
6 gambling; or

7 (6) have an interest in a gaming device or the profits of a gaming
8 device.

9 12-105.

10 (b) **[A] EXCEPT AS PROVIDED IN TITLE 20 OF THE BUSINESS**
11 **REGULATION ARTICLE, A** person may not bet, wager, or gamble or keep, conduct,
12 maintain, or operate a gaming device on:

13 (1) a vessel or a part of a vessel on water within the State, except as
14 provided in § 6-209 of the Transportation Article; or

15 (2) all or a part of a building or other structure that is built on or over
16 water within the State, if the building or other structure cannot be entered from the
17 shore of the State by a person on foot.

18 (c) **[To] EXCEPT AS PROVIDED IN TITLE 20 OF THE BUSINESS**
19 **REGULATION ARTICLE, TO** conduct, maintain, or operate a gaming device, a person
20 may not establish, keep, rent, use, or occupy, or knowingly allow to be established,
21 kept, rented, used, or occupied:

22 (1) a vessel on water within the State; or

23 (2) a building or other structure that is built on or over water within
24 the State, if the building or other structure cannot be entered from the shore of the
25 State by a person on foot.

26 Article - Environment

27 9-1605.2.

28 (g) There shall be deposited in the Bay Restoration Fund:

- 1 (1) Funds received from the restoration fee;
- 2 (2) Net proceeds of bonds issued by the Administration;
- 3 (3) Interest or other income earned on the investment of money in the
- 4 Bay Restoration Fund; [and]

5 **(4) DISTRIBUTION OF VESSEL GAMING TAX REVENUE UNDER §**
6 **20-508 OF THE BUSINESS REGULATION ARTICLE; AND**

- 7 ~~[(4)]~~ (5) Any additional money made available from any sources,
8 public or private, for the purposes for which the Bay Restoration Fund has been
9 established.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the State Commission
11 on Vessel Gaming shall study the patterns of wagering and wins and losses by
12 individuals participating in vessel gaming authorized under this Act and, on or before
13 December 31, 2007, shall make recommendations to the Governor and, subject to §
14 2-1246 of the State Government Article, to the General Assembly, as to whether limits
15 on wagering losses should be imposed.

16 SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the initial
17 members of the State Commission on Vessel Gaming shall expire as follows:

- 18 (1) two members in 2008;
- 19 (2) two members in 2009; and
- 20 (3) three members in 2010.

21 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2007.