

SB0003/193925/1

BY: Senator Pipkin

AMENDMENTS TO SENATE BILL 3, AS AMENDED
(First Reading File Bill)

AMENDMENT NO. 1

Strike in their entirety the Budget and Taxation Committee Amendments (SB0003/439637/1).

AMENDMENT NO. 2

On page 1 of the bill, in line 3, after “of” insert “requiring the State Lottery Commission to regulate the operation of certain video lottery terminals; requiring the Governor to appoint a member of the State Racing Commission as a liaison to the State Lottery Commission; altering a certain geographic cost of education index grant that reflects regional differences in the cost of education that are due to factors outside the control of local jurisdictions to be a mandatory education funding requirement; requiring the Department of Health and Mental Hygiene to establish certain regional centers and to conduct a certain prevalence study; requiring the Secretary of Health and Mental Hygiene to make certain grants from certain funds; altering the membership of the State Lottery Commission; specifying certain requirements for members of the State Lottery Commission; requiring the Governor to appoint a member of the State Lottery Commission as a liaison to the State Racing Commission; providing that members of the State Lottery Commission may be compensated as provided in the State budget; authorizing the operation of video lottery terminals connected to a certain central computer that allows the State Lottery Commission to monitor a video lottery terminal and that has certain capabilities; prohibiting access to the central computer by certain licensees with a certain exception; providing that only a person with a certain video lottery operation license may offer a video lottery terminal for public use in the State; providing that this Act is statewide and exclusive in effect and that certain laws do not apply to video lottery terminals authorized under this Act; requiring the State Lottery Commission to conduct certain investigations and hearings; requiring the State Lottery Commission to adopt certain regulations;

(Over)

requiring the State Lottery Commission to require a certain bond and collect certain fees, civil penalties, and taxes; authorizing the State Lottery Commission to inspect and seize certain equipment, financial information, and records without notice or warrant; requiring certain video lottery terminal manufacturers, video lottery operators, video lottery employees, and other individuals required by the State Lottery Commission to be licensed; providing for the application and licensing process; providing for review of a denial of an application for a certain license by the State Board of Contract Appeals; establishing the misdemeanor of giving false information in an application for a license under this Act or in any supplemental information required by the State Lottery Commission; establishing certain penalties; establishing certain eligibility criteria and disqualifying criteria for a video lottery operation license; requiring a person that contracts with a video lottery operation licensee to meet certain requirements under certain circumstances; requiring certain video lottery operation licensees to maintain certain numbers of live racing days; providing that the license of certain video lottery operation licensees may be revoked if a certain horse racing event or trade names and other items related to the event are transferred out of the State; requiring a certain licensee to permit a certain annual race to be conducted with certain exceptions; requiring certain video lottery operation licensees to submit to the State Lottery Commission certain plans to improve the quality and marketing of horse racing and to spend a certain amount on capital renovation of horse racing facilities each year; requiring the State Racing Commission to monitor the compliance of certain video lottery operation licensees and certain other licensees with certain plans; requiring certain applicants and video lottery operation licensees to comply with certain provisions of law relating to minority business participation; specifying that certain collective bargaining agreements do not negate certain provisions of this Act; requiring a video lottery operation licensee to provide certain health insurance to its employees; authorizing certain applicants for employment to appeal to certain local human relations boards under certain circumstances; providing for the monitoring of certain provisions of this Act by the Governor's Office of Minority Affairs; requiring that a video lottery operation license not issued for locations specified under this Act reverts to the State; requiring a licensee to commence operation of video lottery terminals within a certain time period and authorizing the State Lottery Commission

to grant extensions under certain circumstances; providing for the term of a video lottery operation license and for reapplication for the license at the end of the term; providing for certain eligibility criteria and disqualifying criteria for certain licenses; providing for certain waivers of certain licensing requirements under certain circumstances; providing for certain license terms and renewals; stating the intent of the General Assembly relating to video lottery operation licenses; prohibiting a video lottery operation license from being transferred or pledged as collateral; prohibiting certain video lottery operation licensees from selling or otherwise transferring more than a certain percentage of the legal or beneficial interest unless certain conditions are met; requiring that the transfer of a certain interest in a person that holds a video lottery operation license be approved by the State Lottery Commission; requiring the Department of State Police to conduct certain background investigations in a certain manner; requiring the State Lottery Commission to buy or lease the video lottery terminals, associated equipment, and central computer authorized under this Act; prohibiting more than a certain number of video lottery terminals from being allocated in one county or to licenses held by the same entity; prohibiting an individual or business entity from holding an interest in more than a certain number of video lottery operation licenses under certain circumstances; providing the minimum payout percentage for video lottery terminals and authorizing the State Lottery Commission to adopt certain video lottery terminal payout percentages; providing for the hours of operation of video lottery terminals; prohibiting certain games offered by the State Lottery Commission from being offered for sale in a video lottery facility; prohibiting the State Lottery Commission from issuing certain licenses under certain circumstances; prohibiting a video lottery operation licensee from offering food or beverages at no cost with a certain exception or from offering food and beverages below certain prices; requiring a video lottery operation licensee to ensure that certain individuals are not permitted to play video lottery terminals and are not permitted in certain areas; requiring the State Lottery Commission to adopt certain regulations to reduce or mitigate the effects of problem gambling; authorizing the State Lottery Commission to reprimand a licensee or deny, suspend, or revoke certain licenses under certain circumstances; requiring the Comptroller to collect and distribute certain money in specified ways; establishing a Purse Dedication Account under the authority

(Over)

of the State Racing Commission; providing for a certain distribution from video lottery proceeds to the Purse Dedication Account for horse racing; providing for certain distributions from the Purse Dedication Account for horse racing in a certain manner; establishing the Education Trust Fund; requiring certain distributions from video lottery proceeds to the Education Trust Fund to be used for certain purposes; requiring the Governor to provide certain funding for public school construction from the Education Trust Fund for certain fiscal years; providing for the creation of certain local development councils; providing for appointment and membership of certain local development councils; requiring certain counties to develop certain plans to be reviewed by certain local development councils; specifying that a certain percentage of certain local development grants should be used for certain purposes; authorizing the State to pay certain transportation costs; requiring the Department of Transportation to facilitate certain negotiations; requiring a certain transportation plan to be developed by certain counties; authorizing certain fees and providing for a certain distribution from certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the Department of Health and Mental Hygiene; providing for certain disbursements from the Compulsive Gambling Fund for certain purposes; requiring the State Lottery Commission to make a certain annual report by a certain date; prohibiting a licensee for a certain period of time from employing, or entering into a financial relationship with, an individual who was a member of the State Lottery Commission or the Video Lottery Facility Location Commission; exempting certain procurements by the State Lottery Agency from certain requirements; establishing a Video Lottery Facility Location Commission; establishing the membership of the Video Lottery Facility Location Commission; requiring the approval of the Legislative Policy Committee for certain appointments to the Video Lottery Facility Location Commission; establishing certain eligibility requirements for membership on the Video Lottery Facility Location Commission; providing for certain reimbursements and staffing; requiring the Department of Budget and Management to contract with a certain consultant; requiring the Video Lottery Facility Location Commission to establish a certain application fee; prohibiting the Video Lottery Facility Location Commission from awarding more than a certain number of video lottery operation licenses; requiring certain bids for video lottery operation licenses to

include certain information and to meet certain requirements; prohibiting the Video Lottery Facility Location Commission from issuing more than two licenses in one county or more than a certain number of video lottery terminals in one county; requiring the Video Lottery Facility Location Commission to consider certain factors; requiring certain initial video lottery operation license fees to be placed in the Education Trust Fund; requiring the State Lottery Commission to make certain determinations and be responsible for certain matters relating to racetrack locations and nonracetrack destination locations; providing for review of a denial of an application for a certain license by the State Board of Contract Appeals; providing for certain appeals to be made directly to the Court of Appeals of Maryland; allowing the operation of video lottery terminals in a temporary facility under certain circumstances; providing for the construction of certain provisions of this Act; making the provisions of this Act severable; requiring a certain certification entity to conduct certain studies and make certain reports; requiring the Department of Transportation to conduct a certain study and make a certain report by a certain date; providing for the payment of the cost of the study conducted by the Department of Transportation; providing that the costs of certain improvements and the planning, design, and construction of a certain interchange are the sole responsibility of the holder of a certain license and may not be paid from State funds; providing for the staggering of the terms of certain new members of the State Lottery Commission; making certain stylistic changes; providing for the termination of certain provisions of this Act; providing that certain provisions of this Act are contingent on the termination of another Act; defining certain terms; and generally relating to the operation of video lottery terminals at certain locations in the State.”.

On pages 1 through 4 of the bill, strike in their entirety the lines beginning with line 2 on page 1 through line 6 of page 4, inclusive.

On page 4 of the bill, after line 6, insert:

“BY adding to
Article - Business Regulation

(Over)

Section 11-202(g)
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article - Education
Section 5-202(f)
Annotated Code of Maryland
(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, without amendments,
Article - Health - General
Section 19-801 and 19-802
Annotated Code of Maryland
(2005 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article - Health - General
Section 19-803 and 19-804
Annotated Code of Maryland
(2005 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article - State Government
Section 9-105 and 9-108(d)
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)

BY adding to
Article - State Government
Section 9-1A-01 through 9-1A-35 to be under the new subtitle "Subtitle 1A.
Video Lottery Terminals"
Annotated Code of Maryland

(2004 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 11-203(a)(1)(xviii) and (xix)

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

BY adding to

Article - State Finance and Procurement

Section 11-203(a)(1)(xviii)

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, without amendments,

Article - State Finance and Procurement

Section 11-203(b)(1) and (2)

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 11-203(b)(3)

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 11-203(b)(2)

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

(As enacted by Chapter 402 of the Acts of the General Assembly of 2003)".

On pages 4 and 5 of the bill, strike in their entirety the lines beginning with line 7 on page 4 through line 17 on page 5, inclusive.

AMENDMENT NO. 3

On page 5 of the bill, after line 19, insert:

“Article - Business Regulation

11-202.

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

Article - Education

5-202.

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

- (i) 0.000 in Allegany;
- (ii) 0.018 in Anne Arundel;
- (iii) 0.042 in Baltimore City;
- (iv) 0.008 in Baltimore;
- (v) 0.021 in Calvert;
- (vi) 0.000 in Caroline;

- (vii) 0.014 in Carroll;
- (viii) 0.000 in Cecil;
- (ix) 0.020 in Charles;
- (x) 0.000 in Dorchester;
- (xi) 0.024 in Frederick;
- (xii) 0.000 in Garrett;
- (xiii) 0.000 in Harford;
- (xiv) 0.015 in Howard;
- (xv) 0.010 in Kent;
- (xvi) 0.034 in Montgomery;
- (xvii) 0.048 in Prince George's;
- (xviii) 0.011 in Queen Anne's;
- (xix) 0.002 in St. Mary's;
- (xx) 0.000 in Somerset;
- (xxi) 0.000 in Talbot;
- (xxii) 0.000 in Washington;
- (xxiii) 0.000 in Wicomico; and

(xxiv) 0.000 in Worcester.

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

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

(i) 0.50 in fiscal year ~~2006~~ **2010**;

(ii) 0.62 in fiscal year ~~2007~~ **2011**;

(iii) 0.74 in fiscal year ~~2008~~ **2012**;

(iv) 0.86 in fiscal year ~~2009~~ **2013**; and

(v) 1.00 in fiscal year ~~2010~~ **2014** and each fiscal year thereafter.

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

(i) ~~The numerator of which is the amount provided in the State budget to fund the grants; and~~

(ii) ~~The denominator of which is the sum of the amounts calculated under paragraph (3) of this subsection for all the county boards.~~

Article - Health - General

19-801.

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

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

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

19-802.

The General Assembly finds that:

(1) Compulsive gambling is a serious social problem;

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

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

19-803.

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

19-804.

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

- (i) Inpatient services[.];
- (ii) Outpatient services[.];
- (iii) Partial care services[.];
- (iv) Aftercare services[.];
- (v) Consultative services[.];
- (vi) Educational services[.];
- (vii) SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND
- (VIII) Other preventive or rehabilitative services or treatment.

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

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

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

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

(D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE SEPTEMBER 30, 2009.

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

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

Article - State Government

9-105.

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

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

(I) AT LEAST 25 YEARS OLD;

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

(Over)

(III) A QUALIFIED VOTER OF THE STATE; AND

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

(2) A MEMBER OF THE COMMISSION MAY NOT:

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

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

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

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

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

(C) THE COMMISSION SHALL INCLUDE:

(1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;

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

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

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

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

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

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

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

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

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

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

9-108.

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

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

(Over)

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

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

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

SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

9-1A-01.

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

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

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

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

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

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

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

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

(1) INFORMATION RETRIEVAL; AND

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

~~(2)~~ (3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

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

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

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

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

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

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

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

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

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

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

(O) "MANUFACTURER" MEANS A PERSON:

(1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO

LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS HOUSED;

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

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

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

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

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

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

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

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

ONE OR MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE PROGRESSIVE JACKPOTS.

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

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

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

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

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

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

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

(II) BY THE ELEMENT OF CHANCE, MAY DELIVER OR ENTITLE THE PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER

THE PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

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

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

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

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

9-1A-02.

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

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

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

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

(3) THE CENTRAL COMPUTER MUST BE CAPABLE OF:

(Over)

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

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

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

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

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

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

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

9-1A-03.

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

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

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

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

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

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

9-1A-04.

(A) THE COMMISSION SHALL:

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

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

(Over)

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

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

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

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

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

(I) CERTIFYING REVENUE FROM THE VIDEO LOTTERY TERMINALS;

(II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

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

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

(B) THE COMMISSION MAY:

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

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

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

(4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

(3) ESTABLISHING THE PROCEDURES FOR:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Over)

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

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

(I) INSPECT AND EXAMINE ALL PREMISES IN WHICH:

1. VIDEO LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED;

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

3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR MAINTAINED;

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

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

(IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS,

INCLUDING THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION, OR SIMILAR BUSINESS ENTITY; AND

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

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

2. A COUNTING ROOM OR ITS EQUIPMENT; OR

3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY OPERATIONS.

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

9-1A-05.

(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY ESTABLISHED UNDER § 9-1A-34 OF THIS SUBTITLE MAY NOT ISSUE NO MORE THAN SEVEN VIDEO LOTTERY OPERATION LICENSES.

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

(C) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR BENEFICIARY OF THE BUSINESS ENTITY, INCLUDING AN OFFICER, DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY

(Over)

OTHER PROVISIONS OF THIS SUBTITLE, INCLUDES ANY PERCENTAGE OF OWNERSHIP.

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

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

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

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

9-1A-06.

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

(1) A VIDEO LOTTERY OPERATOR;

(2) A MANUFACTURER;

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

(4) A VIDEO LOTTERY EMPLOYEE.

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

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

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

9-1A-07.

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

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

(Over)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9-1A-08.

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

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

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

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

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

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

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

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

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

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

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

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

(12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

(13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

(1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS

(Over)

OR CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

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

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

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

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

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

(7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A LICENSE, OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A

REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

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

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

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

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

9-1A-09.

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

(Over)

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

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

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

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

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

(D) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE SHALL PERMIT THE

EVENT KNOWN AS THE MARYLAND MILLION SHALL TO BE RUN ANNUALLY AT LAUREL PARK UNLESS:

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

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

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

(2) EACH PLAN SHALL INCLUDE:

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

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

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

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

(Over)

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

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

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

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

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

9-1A-10.

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

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

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

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

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

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

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

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

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

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

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

(C) ON OR AFTER JULY 1, 2011, THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED.

9-1A-11.

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

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT

THE LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE HAS BEEN ISSUED WITHIN 18 MONTHS AFTER THE LICENSE IS ISSUED.

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

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

(D) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH THE REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION, THE LICENSE ISSUED TO THE LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE STATE.

9-1A-12.

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

9-1A-13.

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

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

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

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

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

9-1A-14.

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

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

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

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

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

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

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

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

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

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

(Over)

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

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

9-1A-15.

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

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

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

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

9-1A-16.

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

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

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

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

(2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT

ANY TIME AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

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

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

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

9-1A-17.

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

(1) PROPER APPLICATION FOR RENEWAL; AND

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

9-1A-18.

(A) AS THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND

CONTINUED QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

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

(1) PRECLUDE:

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

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

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

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

9-1A-19.

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

(1) TRANSFERRED OR ASSIGNED TO ANOTHER PERSON; OR

(2) PLEDGED AS COLLATERAL.

(Over)

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

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

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

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

9-1A-20.

(A) THE DEPARTMENT OF STATE POLICE SHALL:

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

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

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

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

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

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

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

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

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

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

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

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

9-1A-21.

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

- (1) OWNED OR LEASED BY THE COMMISSION; AND
- (2) UNDER THE CONTROL OF THE COMMISSION.

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

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

9-1A-22.

(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED UNDER § 9-1A-34 OF THIS SUBTITLE MAY AWARD UP TO 15,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

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

(C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO LOTTERY TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION LOCATIONS AND EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

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

(D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A MANNER THAT RESULTS IN MORE THAN 7,500 VIDEO LOTTERY TERMINALS BEING LOCATED IN ANY COUNTY IN THE STATE.

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

(1) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

(Over)

(2) 6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD BY THE SAME INDIVIDUAL OR BUSINESS ENTITY.

9-1A-23.

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

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

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

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

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

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

9-1A-24.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Over)

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

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

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

9-1A-25.

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

- (1) THIS SUBTITLE;
- (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR
- (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

(I) THE SERIOUSNESS OF THE VIOLATION;

(II) THE HARM CAUSED BY THE VIOLATION; AND

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

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

9-1A-26.

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

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

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

9-1A-27.

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

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

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

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

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

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

(I) 73% TO ANNE ARUNDEL COUNTY;

(II) 17% TO HOWARD COUNTY; AND

(III) 10% TO THE CITY OF LAUREL;

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

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

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

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

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

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

9-1A-28.

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

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

(Over)

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

(3) THE COMPTROLLER SHALL:

(I) ACCOUNT FOR THE FUND; AND

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

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

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

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

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

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

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

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

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

(2) 11% TO THE STANDARDBRED RACE FUND.

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

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

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

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

(I) NEED;

(Over)

(II) DOCUMENTED MARYLAND RESIDENCY; AND

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

9-1A-29.

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

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

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

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

(1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE; AND

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

(D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2016, \$150,000,000 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A PAY-AS-YOU-GO BASIS.

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

9-1A-30.

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

- (1) INFRASTRUCTURE IMPROVEMENTS;**
- (2) FACILITIES;**
- (3) PUBLIC SAFETY;**
- (4) SANITATION;**
- (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING; AND**

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

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

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

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

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

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

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

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

(C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL

DEVELOPMENT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF THIS SECTION.

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

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

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

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

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

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

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

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

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

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

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

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

9-1A-31.

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

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

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

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

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

(II) APPROVED BY THE MARYLAND DEPARTMENT OF TRANSPORTATION.

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

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

9-1A-32.

(A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

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

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

9-1A-33.

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

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

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

9-1A-34.

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

Article - State Finance and Procurement

11-203.

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

(1) procurement by:

(xviii) the Maryland Energy Administration, when negotiating or entering into grants or cooperative agreements with private entities to meet federal

(Over)

specifications or solicitation requirements related to energy conservation, energy efficiency, or renewable energy projects that benefit the State; [and]

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

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

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

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

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

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

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

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

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

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

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

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

Article - State Government

9-1A-35.

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

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

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

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

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

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

(Over)

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

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

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

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

(2) SHALL BE A RESIDENT OF THE STATE;

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

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

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

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

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

~~(6)~~ (5) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A LICENSE UNDER THIS SUBTITLE;

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

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

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

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

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

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

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

(2) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS

SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS SECTION.

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

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

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

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

(II) A NONRACETRACK DESTINATION LOCATION UNDER THIS SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE STATE EXISTING ON JULY 1, 2004.

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

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

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

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

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

(I) SHALL BE SUBMITTED BY OCTOBER 1, 2008;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Over)

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

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

(J) (1) A PERSON THAT IS AWARDED A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SECTION SHALL PAY AN INITIAL LICENSE FEE PRIOR TO THE ISSUANCE OF THE LICENSE THAT IS EQUAL TO \$3,000,000 PER 500 VIDEO LOTTERY TERMINALS AWARDED TO THE LICENSEE THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS AWARDED BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

(2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS SUBTITLE.

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

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

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

(3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY

LOCATION COMMISSION OF THE DETERMINATION AS TO WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

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

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

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

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

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

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

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

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

Article - State Finance and Procurement

11-203.

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

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

Article - State Finance and Procurement

11-203.

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

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

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

SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article of the Annotated Code of Maryland, in consultation with the General Assembly and the Office of the Attorney General, shall initiate two studies of the requirements of § 9-1A-10 of the State Government Article as enacted by Section 1 of this Act that evaluate the continued compliance of the requirement with any federal and constitutional requirements. In preparation for the studies, the State Lottery Commission shall require video lottery operation license applicants and licensees to provide any information necessary to perform the study. The studies shall also evaluate race-neutral programs or other methods that can be used to address the needs of minority investors and minority businesses. A final report of the first study shall be submitted to the Legislative Policy Committee on or before December 1, 2009, so that the General Assembly may review the report prior to the 2010 Session. A final report of the second study shall be submitted to the Legislative Policy Committee on or before September 30, 2008, so that the General Assembly may review the report in conjunction with the report of the study on the Minority Business Enterprise Program prior to the 2009 Session.

(Over)

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

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

- (1) one member in 2010;
- (2) one member in 2011; and
- (3) two members in 2012.

SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect June 1, 2008. It shall remain effective for a period of 2 years following the award of the seventh video lottery operation license and with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect. On award of the seventh video lottery operation license, the Video Lottery Facility Location Commission within 5 days after the award shall notify in writing the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

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

SECTION 12. AND BE IT FURTHER ENACTED, That, subject to Sections 10 and 11 of this Act, this Act shall take effect June 1, 2008.”.

On pages 5 through 63 of the bill, strike in their entirety the lines beginning with line 20 on page 5 through line 22 on page 63, inclusive.