

HB0004/283326/1

BY: Delegate O'Donnell

AMENDMENTS TO HOUSE BILL 4, AS AMENDED
(First Reading File Bill)

AMENDMENT NO. 1

Strike the Committee on Ways and Means Amendments (HB0004/523325/1) in their entirety.

On page 1, on the top of the page, strike “CONSTITUTIONAL AMENDMENT”; in line 2, strike “Lottery Terminals” and substitute “Slot Machines”; strike beginning with “adding” in line 3 down through “education” in line 5 and substitute “renaming the State Lottery Commission to be the State Gaming Commission and requiring the Commission to regulate the operation of certain video slot machines”; in line 5, after “State” insert “Gaming Commission”; in lines 6 and 8, in each instance, strike “lottery terminals” and substitute “slot machines”; in line 7, strike “lottery terminal” and substitute “slot machine”; strike beginning with “providing” in line 8 down through “rejection” in line 12 and substitute “altering the membership of the State Gaming Commission and specifying certain requirements for members of the Commission; authorizing the operation of video slot machines connected to a certain central computer that allows the State Gaming Commission to monitor a video slot machine 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 slot machine operation license may offer a video slot machine 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 slot machines authorized under this Act; requiring the State Gaming Commission to conduct certain investigations and hearings; requiring the State Gaming Commission to adopt certain regulations; requiring the State Gaming Commission to require a certain bond and collect certain fees, civil penalties, and taxes; authorizing the State Gaming Commission to inspect and seize certain equipment, financial information, and records without notice but with a judicially authorized warrant; requiring certain video slot machine manufacturers, video slot”

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machine gaming facility operators, video slot machine gaming employees, and other individuals required by the State Gaming 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 Gaming Commission; establishing certain penalties; establishing certain eligibility criteria and disqualifying criteria for a video slot machine operation license; requiring a person that contracts with a video slot machine operation licensee to meet certain requirements under certain circumstances; requiring that a video slot machine operation license not issued under this Act reverts to the State; requiring a licensee to commence operation of video slot machines within a certain time period and authorizing the State Gaming Commission to grant extensions under certain circumstances; providing for certain eligibility criteria and disqualifying criteria for certain licenses; providing for certain license terms and renewals; stating the intent of the General Assembly relating to video slot machine operation licenses; prohibiting certain video slot machine 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 slot machine operation license be approved by the State Gaming Commission; requiring the State Gaming Commission to buy or lease the central computer authorized under this Act; prohibiting more than a certain number of video slot machines from being allocated in one county; providing the minimum payout percentage for video slot machines and authorizing the State Gaming Commission to adopt certain video slot machine payout percentages; providing for the hours of operation of video slot machines; prohibiting the State Gaming Commission from issuing certain licenses under certain circumstances; requiring the State Gaming Commission to adopt certain regulations pertaining to the expulsion of underaged or substance impaired individuals from video slot machine gaming facilities; authorizing the State Gaming 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 certain ways; establishing a Purse Dedication Account under the authority of the State

Racing Commission; providing for a certain distribution from video slot machine gaming operation 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 slot machine gaming operation 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 certain local development grants; establishing an Administrative 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 Gaming 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 Gaming Commission; exempting certain procurements by the State Gaming Commission from certain requirements; requiring the State Gaming Commission to establish a certain application fee; requiring the State Gaming Commission to conduct a certain number of separate, simultaneously held auctions of all of the video slot machine operation licenses; requiring that the State Gaming Commission award the video slot machine operation licenses in accordance with a certain bidding process; providing for certain fees to be paid by bidders of video slot machine operation licenses; requiring certain bids for video slot machine operation licenses to include certain information and to meet certain requirements; prohibiting the State Gaming Commission from issuing more than a certain number of certain licenses in one county; requiring the State Gaming Commission to consider certain factors and to award a video slot machine operation license on the basis of the lowest percentage of the gross revenues from the operation of video slot machine gaming that the bidder is willing to keep or hold; requiring the State Gaming Commission to be responsible for certain matters relating to racetrack locations and nonracetrack destination locations after the award of video slot machine operation licenses; providing for review of a denial of an application for a certain license by the State Board of Contract Appeals; allowing the operation of video slot machines in a temporary facility under certain circumstances; requiring, before the issuance of a

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video slot machine operation license by the State Gaming Commission to an applicant to provide clear and convincing evidence that the applicant has complied with all applicable local zoning, planning, and land use laws, ordinances, and regulations; providing for the staggering of the terms of certain new members of the State Gaming Commission; making certain stylistic changes; defining certain terms; providing for the effective date of this Act; and generally relating to the regulation and operation of and revenues from lawfully authorized video slot machine gaming in the State”; and strike in their entirety lines 13 through 18, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article – State Government

Section 9–101(c), 9–104, and 9–105

Annotated Code of Maryland

(2004 Replacement Volume and 2007 Supplement)

BY adding to

Article – State Government

Section 9–1A–01 through 9–1A–25 to be under the new subtitle “Subtitle 1A.

Video Slot Machines”

Annotated Code of Maryland

(2004 Replacement Volume and 2007 Supplement)

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

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 19 on page 1 through line 28 on page 3, inclusive, and substitute:

“Article – State Government

9-101.

(c) “Commission” means the State [Lottery] GAMING Commission.

9-104.

There is a State [Lottery] GAMING Commission in the Agency.

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;

(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:

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(I) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A LICENSE UNDER THIS SUBTITLE;

(II) 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 OR LOTTERY;

(III) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING OR LOTTERY; AND

(IV) 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.

(3) NOT MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL PARTY.

(C) (1) THE MEMBERS OF THE COMMISSION SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL MATTERS.

(2) THE COMMISSION SHALL INCLUDE:

(I) ONE MEMBER WITH SUBSTANTIAL EXPERIENCE IN LAW ENFORCEMENT;

(II) ONE MEMBER WITH SUBSTANTIAL EXPERIENCE IN A FIELD RELATING TO FINANCE, ECONOMICS, OR INVESTMENTS;

(III) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT WITH SUBSTANTIAL EXPERIENCE IN ACCOUNTING; AND

(IV) ONE MEMBER WITH SUBSTANTIAL 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.

(E) FOR A PERIOD OF 3 YEARS AFTER A MEMBER HAS SERVED ON THE COMMISSION, THAT MEMBER MAY NOT BE EMPLOYED BY A VIDEO SLOT MACHINE OPERATION LICENSEE OR ENTER INTO A FINANCIAL RELATIONSHIP WITH A VIDEO SLOT MACHINE OPERATION LICENSEE.

[(d)] (F) (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.

SUBTITLE 1A. VIDEO SLOT MACHINES.

9-1A-01.

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

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

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

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

(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 SLOT MACHINES COMMUNICATE FOR PURPOSES OF:

(1) INFORMATION RETRIEVAL;

(2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO SLOT MACHINES; AND

(3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO SLOT MACHINES.

(I) “COMMISSION” MEANS THE STATE GAMING 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 CENTRAL COMPUTER;

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

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(3) THE COSTS OF TESTING AND EXAMINING OF VIDEO SLOT MACHINES; 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 SLOT MACHINES, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS OF VIDEO SLOT MACHINES, THE RANDOM NUMBER GENERATOR OF VIDEO SLOT MACHINES, OR THE CABINET IN WHICH A VIDEO SLOT MACHINE IS HOUSED;

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

(3) THAT CONTRACTS WITH THE COMMISSION OR A VIDEO SLOT MACHINE OPERATION 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 SLOT MACHINE 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 SLOT MACHINE AT A VIDEO SLOT MACHINE GAMING FACILITY LICENSED BY THE COMMISSION.

(S) “PROCEEDS” MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH VIDEO SLOT MACHINES 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 SLOT MACHINES ARE CONNECTED TO A PROGRESSIVE JACKPOT SYSTEM.

(U) “PROGRESSIVE JACKPOT SYSTEM” MEANS THE CAPABILITY OF THE CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO SLOT MACHINES 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 SLOT MACHINE OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.

(W) "VIDEO SLOT MACHINE" MEANS ANY MACHINE OR OTHER DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON, CREDIT OR DEBIT CARD, OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

(1) 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

(2) 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.

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

(X) "VIDEO SLOT MACHINE GAMING" MEANS GAMING OR BETTING THAT IS CONDUCTED USING A VIDEO SLOT MACHINE.

(Y) "VIDEO SLOT MACHINE GAMING EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON THAT HOLDS A LICENSE.

(Z) "VIDEO SLOT MACHINE GAMING FACILITY" MEANS A FACILITY WHERE PLAYERS PLAY VIDEO SLOT MACHINES UNDER THIS SUBTITLE.

(AA) "VIDEO SLOT MACHINE OPERATION LICENSE" MEANS A LICENSE ISSUED TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO SLOT MACHINES.

9-1A-02.

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

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

(C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO SLOT MACHINES CONNECTED TO THE CENTRAL COMPUTER THAT ALLOWS THE COMMISSION TO MONITOR A VIDEO SLOT MACHINE.

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

(3) THE CENTRAL COMPUTER MUST BE CAPABLE OF:

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

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

(III) DISABLING FROM OPERATION OR PLAY ANY VIDEO SLOT MACHINE 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 SLOT MACHINE OPERATION LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER OR INFORMATION FROM THE CENTRAL COMPUTER.

(II) ONLY IF THE ACCESS DOES NOT IN ANY WAY AFFECT THE INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER, THE COMMISSION MAY ALLOW A VIDEO SLOT MACHINE 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 SLOT MACHINE GAMING FACILITY.

(D) ONLY A PERSON WITH A VIDEO SLOT MACHINE OPERATION LICENSE ISSUED BY THE COMMISSION MAY OFFER A VIDEO SLOT MACHINE 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 BIDS AND CAUSES AFFECTING THE GRANTING, SUSPENSION, REVOCATION, OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

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

(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 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 SLOT MACHINE OPERATION THROUGH ITS EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO SLOT MACHINE FOR THE PURPOSE OF:

(I) CERTIFYING REVENUE FROM THE VIDEO SLOT MACHINES;

(II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND

(III) CONDUCTING INVESTIGATIONS INTO THE OPERATION AND MAINTENANCE OF THE VIDEO SLOT MACHINES 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 SLOT MACHINE 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 APPLICATIONS AND BIDS THAT AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS

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SUBTITLE SHALL FOLLOW AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE COMMISSION;

(2) ESTABLISHING, IN CONSULTATION AND COLLABORATION WITH THE DEPARTMENT OF STATE POLICE, 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, IN CONSULTATION AND COLLABORATION WITH THE DEPARTMENT OF STATE POLICE, THE PROCEDURES FOR:

(I) FINGERPRINTING AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE AND DETERMINING WHETHER APPLICANTS OR LICENSEES ARE ENGAGED IN CRIMINAL ACTIVITY; 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 SLOT MACHINES, RULES OF VIDEO SLOT MACHINES, ODDS FOR VIDEO SLOT MACHINES, AND THE METHOD OF OPERATION OF THE VIDEO SLOT MACHINES;

(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 SLOT MACHINES;

(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 SLOT MACHINES;

(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 SLOT MACHINE OPERATION LICENSEE AS REQUIRED BY THIS SUBTITLE;

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

(14) ENSURING THAT THE OPERATION OF VIDEO SLOT MACHINES AND VIDEO SLOT MACHINE GAMING FACILITIES IS CONDUCTED LEGALLY; AND

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

(E) (1) THE COMMISSION 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.

(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 BUT WITH A JUDICIALLY AUTHORIZED WARRANT, TO:

(I) INSPECT AND EXAMINE ALL PREMISES IN WHICH:

1. VIDEO SLOT MACHINE OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED;

2. AUTHORIZED VIDEO SLOT MACHINES OR ASSOCIATED EQUIPMENT ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED, SOLD, DISTRIBUTED, OR SERVICED; OR

3. RECORDS OF THOSE ACTIVITIES ARE PREPARED OR MAINTAINED;

(II) INSPECT ANY VIDEO SLOT MACHINES OR ASSOCIATED EQUIPMENT IN, ABOUT, ON, OR AROUND THE PREMISES;

(III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO SLOT MACHINES OR ASSOCIATED EQUIPMENT FOR THE PURPOSES OF EXAMINING AND INSPECTION;

(IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND DOCUMENTS CONCERNING A LICENSEE'S VIDEO SLOT MACHINE GAMING 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

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**3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO
SLOT MACHINE 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 FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS
SUBTITLE:**

(1) A VIDEO SLOT MACHINE GAMING FACILITY 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 SLOT
MACHINES; AND**

(4) A VIDEO SLOT MACHINE GAMING EMPLOYEE.

**(B) BY REGULATION, THE COMMISSION MAY 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.**

9-1A-06.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE, THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO SLOT MACHINE FACILITY EMPLOYEE.

(B) BY REGULATION, THE COMMISSION MAY EXEMPT CATEGORIES OF VIDEO SLOT MACHINE GAMING EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO SLOT MACHINE OPERATIONS FROM THE REQUIREMENT UNDER SUBSECTION (A) OF THIS SECTION 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.

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

(D) BY REGULATION, THE COMMISSION SHALL ESTABLISH STANDARDS AND QUALIFICATIONS FOR VIDEO SLOT MACHINE GAMING EMPLOYEES.

(E) THE COMMISSION SHALL DENY A VIDEO SLOT MACHINE GAMING EMPLOYEE LICENSE TO AN APPLICANT WHO DOES NOT MEET THE STANDARDS AND QUALIFICATIONS ESTABLISHED BY THE COMMISSION UNDER SUBSECTION (C) OF THIS SECTION.

9-1A-07.

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

(B) BY REGULATION, THE COMMISSION SHALL ESTABLISH:

(1) STANDARDS AND QUALIFICATIONS FOR MANUFACTURERS AS A CONDITION OF LICENSURE BY THE COMMISSION;

(2) A LIST OF APPROVED CENTRAL COMPUTERS THAT MAY BE PURCHASED OR LEASED BY THE COMMISSION; AND

(3) A LIST OF APPROVED VIDEO SLOT MACHINES AND ASSOCIATED EQUIPMENT THAT MAY BE PURCHASED OR LEASED BY A VIDEO SLOT MACHINE OPERATION LICENSEE.

9-1A-08.

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

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

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

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

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

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

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

(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

(Over)

LICENSEE REFUSES TO COMPLY, THE APPLICATION MAY BE DENIED OR THE LICENSE OF THE PERSON MAY BE DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

(D) BY REGULATION, THE COMMISSION SHALL:

(1) IDENTIFY THE ACTS OR OMISSIONS THAT, IF COMMITTED BY APPLICANTS AND LICENSEES IN VIOLATION OF THIS SUBTITLE OR ANY REGULATIONS ADOPTED UNDER THIS SUBTITLE BY THE COMMISSION, MUST BE REPORTED BY THE APPLICANTS AND LICENSEES TO THE COMMISSION;

(2) PROHIBIT APPLICANTS AND LICENSEES FROM DISCRIMINATING 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 ADOPTED UNDER THIS SUBTITLE; AND

(3) IDENTIFY THE KINDS OF DOCUMENTATION AND ASSURANCES THAT APPLICANTS AND LICENSEES MUST PRODUCE TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE OF:

(I) THE APPLICANT'S OR LICENSEE'S FINANCIAL STABILITY, INTEGRITY, RESPONSIBILITY, BUSINESS ABILITY, AND EXPERIENCE; AND

(II) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY, AND INTEGRITY.

(E) (1) 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 TO A VIDEO SLOT MACHINE OPERATION LICENSE, IF THE COMMISSION IS 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) 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.

(H) 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.

(I) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (H) 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.

(J) 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 SLOT MACHINE OPERATIONS.

9-1A-09.

(A) (1) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS SUBTITLE, THE COMMISSION, BY REGULATION, SHALL ESTABLISH THE KINDS OF INFORMATION A BUSINESS ENTITY THAT BIDS FOR A VIDEO SLOT MACHINE OPERATION LICENSE MUST PROVIDE.

(2) THE REGULATIONS SHALL REQUIRE AT A MINIMUM THAT THE APPLICANT SHALL PROVIDE:

(I) DOCUMENTATION AS TO THE NATURE OF THE APPLICANT'S BUSINESS ENTITY, ITS FINANCIAL STRUCTURE, AND A DESCRIPTION OF ALL BUSINESSES OPERATED BY THE BUSINESS ENTITY; AND

(II) CERTIFIED COPIES OF STATEMENTS OF THE THREE MOST RECENT AUDITS OF THE APPLICANT'S BUSINESS ENTITY.

(B) IF A BUSINESS ENTITY THAT BIDS FOR A VIDEO SLOT MACHINE OPERATION LICENSE IS A SUBSIDIARY OF A COMPANY, OR IF A BUSINESS ENTITY HOLDING A VIDEO SLOT MACHINE 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 SLOT MACHINE 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.

9-1A-10.

IF A VIDEO SLOT MACHINE OPERATION LICENSEE CONTRACTS WITH ANOTHER PERSON, OTHER THAN AN EMPLOYEE OF THE VIDEO SLOT MACHINE OPERATION LICENSEE, TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY FACILITY, EACH PERSON AND EACH OTHER

(Over)

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 THIS SUBTITLE FOR VIDEO SLOT MACHINE OPERATION LICENSEES.

9-1A-11.

SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR SUSPEND A LICENSE AND, EXCEPT FOR A VIDEO SLOT MACHINE OPERATION 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-12.

(A) THE CENTRAL COMPUTER SHALL BE:

(1) OWNED OR LEASED BY THE COMMISSION; AND

(2) UNDER THE CONTROL OF THE COMMISSION.

(B) THE VIDEO SLOT MACHINES AND ASSOCIATED EQUIPMENT SHALL BE OWNED OR LEASED BY VIDEO SLOT MACHINE OPERATION LICENSEES.

9-1A-13.

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A VIDEO SLOT MACHINE 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 SLOT MACHINES.

(B) A VIDEO SLOT MACHINE GAMING FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2 A.M.

9-1A-14.

(A) BY REGULATION, THE COMMISSION SHALL ESTABLISH RESTRICTIONS, PROHIBITIONS, AND OTHER APPROPRIATE PROVISIONS THAT VIDEO SLOT MACHINE OPERATION LICENSEES MUST COMPLY WITH AS A CONDITION OF LICENSURE AS TO:

(1) THE ADMISSION OF OR ALLOWING TO REMAIN ON OR NEAR THE PREMISES OF A VIDEO SLOT MACHINE GAMING FACILITY ANY INDIVIDUAL WHO IS:

(I) UNDER THE INFLUENCE OR IMPAIRED BECAUSE OF ALCOHOLIC BEVERAGES, DRUGS, OR OTHER SUBSTANCES; OR

(II) UNDER THE AGE OF 21;

(2) A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY EXCLUDED OR EJECTED FROM A VIDEO SLOT MACHINE GAMING FACILITY THAT SHALL INCLUDE CAREER OFFENDERS AND INDIVIDUALS WHO HAVE BEEN

(Over)

CONVICTED OF A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A GAMBLING OFFENSE; AND

(3) A LIST OF SANCTIONS THAT THE COMMISSION MAY IMPOSE ON A VIDEO SLOT MACHINE OPERATION LICENSEE FOR FAILURE TO COMPLY WITH THE REQUIREMENTS FOR THE EJECTION OR EXCLUSION OF INDIVIDUALS FROM THE VIDEO SLOT MACHINE GAMING FACILITY.

(B) BY REGULATION, THE COMMISSION SHALL ADOPT REASONABLE AND EFFECTIVE MEASURES THAT ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF COMPULSIVE OR PROBLEM GAMBLING.

9-1A-15.

(A) ALL PROCEEDS FROM THE OPERATION OF VIDEO SLOT MACHINES 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 SLOT MACHINES SHALL BE UNDER THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS SUBTITLE.

9-1A-16.

(A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO SLOT MACHINE GAMING ACTIVITY:

(1) 4% TO THE ADMINISTRATIVE FUND ESTABLISHED UNDER § 9-1A-19 OF THIS SUBTITLE;

(2) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-18 OF THIS SUBTITLE;

(3) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, AN AMOUNT NOT TO EXCEED THE PERCENTAGE OF THE GROSS PROCEEDS THE VIDEO SLOT MACHINE OPERATION LICENSEE AGREED TO KEEP OR HOLD IN THE BID FOR THE VIDEO SLOT MACHINE OPERATION LICENSE THAT HAD BEEN SUBMITTED BY THE LICENSEE UNDER THIS SUBTITLE;

(4) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 4.5% IN LOCAL DEVELOPMENT GRANTS, AS REQUIRED UNDER § 9-1A-20 OF THIS SUBTITLE, TO THE COUNTY IN WHICH A VIDEO SLOT MACHINE GAMING FACILITY IS LOCATED;

(5) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 6% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-17 OF THIS SUBTITLE, NOT TO EXCEED \$75,000,000 ANNUALLY; AND

(6) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 0.5% TO THE COMPULSIVE GAMBLING FUND ESTABLISHED UNDER § 9-1A-21 OF THIS SUBTITLE.

(B) ANY PROCEEDS OF VIDEO SLOT MACHINE GAMING ACTIVITY THAT REMAINS UNDISTRIBUTED SHALL REVERT TO THE GENERAL FUND OF THE STATE.

9-1A-17.

(Over)

(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-16(5) OF THIS SUBTITLE.

(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 ACCOUNT; AND

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

(4) THE ACCOUNT IS A SPECIAL, 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 SUBSECTION (D) OF THIS SECTION, FROM THE FUNDS IN THE ACCOUNT, THE STATE RACING COMMISSION SHALL ALLOCATE EACH YEAR:

(1) 75% TO THE THOROUGHBRED INDUSTRY; AND

(2) 25% TO THE STANDARD BRED INDUSTRY.

(D) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO THE RACECOURSE IN ALLEGANY COUNTY OR OTHER FUTURE RACECOURSES UNTIL HORSE RACING BEGINS AT THOSE RACECOURSES.

9-1A-18.

(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-16(A)(2) 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 ONLY TO OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH GRADE 12.

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

9-1A-19.

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

(B) THE FUND CONSISTS OF ALL PROCEEDS ALLOCATED TO IT UNDER § 9-1A-16(A)(1) OF THIS SUBTITLE.

(C) (1) MONEY IN THE FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO THE FUND.

(2) THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE MONEY IN THE FUND SHALL BE USED BY THE COMMISSION FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE.

9-1A-20.

(A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-16(A)(4) OF THIS SUBTITLE SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO SLOT MACHINE GAMING FACILITIES OR FOR ANY OTHER PURPOSES A LOCAL GOVERNMENT CONSIDERS APPROPRIATE.

(B) THE COMPTROLLER SHALL PAY LOCAL DEVELOPMENT GRANTS FROM THE PROCEEDS ALLOCATED FOR THOSE GRANTS UNDER § 9-1A-16(A)(4) OF THIS SUBTITLE IN THE FOLLOWING MANNER:

(1) 23.33% OF THE PROCEEDS TO A COUNTY WITH A VIDEO SLOT MACHINE GAMING FACILITY THAT HAS 3,500 VIDEO SLOT MACHINES; AND

(2) 10% OF THE PROCEEDS TO A COUNTY WITH A VIDEO SLOT MACHINE GAMING FACILITY THAT HAS 1,500 VIDEO SLOT MACHINES.

9-1A-21.

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

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

(C) (1) THERE SHALL BE CREDITED TO THE COMPULSIVE GAMBLING FUND ALL PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-16(A)(6) OF THIS SUBTITLE.

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

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

(I) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO IMPLEMENT THE PROGRAMS AND SERVICES IT DEVELOPS IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (4) OF THIS SUBSECTION; AND

(Over)

(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.

(4) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL DEVELOP APPROPRIATE PROGRAMS AND SERVICES FOR INDIVIDUALS WITH COMPULSIVE OR PROBLEM GAMBLING.

9-1A-22.

THE COMMISSION SHALL PREPARE AND SUBMIT AN ANNUAL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY ON THE OPERATION AND FINANCES OF THE VIDEO SLOT MACHINE OPERATION UNDER THIS SUBTITLE.

9-1A-23.

(A) THE COMMISSION MAY NOT AWARD AND ISSUE MORE THAN SIX VIDEO SLOT MACHINE OPERATION LICENSES.

(B) A VIDEO SLOT MACHINE OPERATION 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) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL AUTHORIZE 15,000 VIDEO SLOT MACHINES FOR OPERATION AT VIDEO SLOT MACHINE GAMING FACILITIES IN THE STATE.

(2) THE COMMISSION MAY AUTHORIZE LESS THAN 15,000 VIDEO SLOT MACHINES FOR OPERATION AT VIDEO SLOT MACHINE GAMING FACILITIES IN THE STATE IF THE COMMISSION DETERMINES THAT THERE IS AN INSUFFICIENT NUMBER OF QUALIFIED BIDDERS OR BIDS FOR VIDEO SLOT MACHINE OPERATION LICENSES UNDER THIS SUBTITLE TO AWARD ALL 15,000 VIDEO SLOT MACHINES.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, WHEN AWARDING A VIDEO SLOT MACHINE OPERATION LICENSE, THE COMMISSION SHALL SPECIFY THE NUMBER OF VIDEO SLOT MACHINES AUTHORIZED FOR EACH VIDEO SLOT MACHINE GAMING FACILITY.

(2) (I) THREE VIDEO SLOT MACHINE GAMING FACILITIES FOR WHICH VIDEO SLOT MACHINE OPERATION LICENSES HAVE BEEN AWARDED UNDER THIS SUBTITLE SHALL EACH BE AUTHORIZED TO HAVE 3,500 VIDEO SLOT MACHINES.

(II) THREE VIDEO SLOT MACHINE GAMING FACILITIES FOR WHICH VIDEO SLOT MACHINE OPERATION LICENSES HAVE BEEN AWARDED UNDER THIS SUBTITLE SHALL EACH BE AUTHORIZED TO HAVE 1,500 VIDEO SLOT MACHINES.

(E) THE FEES FOR VIDEO SLOT MACHINE OPERATION LICENSES ARE:

(1) \$200,000,000 FOR LICENSES FOR VIDEO SLOT MACHINE GAMING FACILITIES THAT WILL BE AUTHORIZED TO OPERATE 3,500 VIDEO SLOT MACHINES; AND

(Over)

(2) \$83,300,000 FOR LICENSES FOR VIDEO SLOT MACHINE GAMING FACILITIES THAT WILL BE AUTHORIZED TO OPERATE 1,500 VIDEO SLOT MACHINES.

(F) THE INITIAL TERM OF A VIDEO SLOT MACHINE OPERATION LICENSE IS 20 YEARS.

(G) DURING THE INITIAL TERM OF A VIDEO SLOT MACHINE 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.

(H) (1) AT THE END OF THE INITIAL 20-YEAR LICENSE TERM, A NEW BIDDING PROCESS SHALL BE ESTABLISHED BY STATUTE BY THE GENERAL ASSEMBLY FOR VIDEO SLOT MACHINE OPERATION LICENSES.

(2) THE STATUTE ENACTED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) PROCEDURES FOR HOLDERS OF THE VIDEO SLOT MACHINE OPERATION LICENSES ISSUED UNDER THIS SUBTITLE TO REBID FOR A NEW VIDEO SLOT MACHINE OPERATION LICENSE;

(II) REQUIREMENTS RELATING TO INFORMATION TO BE PROVIDED BY THE APPLICANT TO THE COMMISSION IN CONNECTION WITH THE APPLICANT'S BID FOR THE LICENSE; AND

(III) THE PAYMENT OF ALL REQUIRED LICENSE FEES AND TAXES.

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

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

(1) THE PROPER AND CONTINUED QUALIFICATION OF THE LICENSEE; AND

(2) 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.

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

(1) PRECLUDE:

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

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

(Over)

(2) NOT PRECLUDE THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS SUBTITLE; AND

(3) REQUIRE THAT PARTICIPATION IN VIDEO SLOT MACHINE OPERATIONS BE CONDITIONED SOLELY ON THE CONTINUING QUALIFICATIONS OF THE PERSON THAT SEEKS THE PRIVILEGE.

(L) THE COMMISSION MAY DENY THE TRANSFER OF A VIDEO SLOT MACHINE OPERATION LICENSE IF THE TRANSFEREE DOES NOT MEET THE STANDARDS AND QUALIFICATIONS ESTABLISHED UNDER THIS SUBTITLE AND ANY REGULATIONS LAWFULLY ADOPTED BY THE COMMISSION.

(M) (1) A VIDEO SLOT MACHINE OPERATION LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN 20% 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-24.

(A) THE VIDEO SLOT MACHINE OPERATION LICENSES AUTHORIZED BY THIS SUBTITLE SHALL BE PUT UP FOR AUCTION BY THE COMMISSION AT SIX SEPARATE BUT SIMULTANEOUSLY HELD AUCTIONS.

(B) THE COMMISSION SHALL SELECT AND ENTER INTO A CONTRACT WITH AN INVESTMENT BANKING FIRM OF NATIONAL STATURE AND WITH RELEVANT EXPERIENCE TO CONDUCT THE AUCTIONS FOR THE COMMISSION.

(C) THE COMMISSION SHALL UTILIZE THE AUCTIONS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO AWARD AND ISSUE VIDEO SLOT MACHINE OPERATION LICENSES TO QUALIFIED BIDDERS:

(1) ON THE BASIS OF A COMPETITIVE BIDDING PROCESS CONSISTENT WITH THE PROCESS ESTABLISHED FOR COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

(2) SUBJECT TO THE LICENSE AND APPLICATION FEES PROVIDED IN THIS SECTION AND IN § 9-1A-23 OF THIS SUBTITLE; AND

(3) TO THE PERSON THAT SUBMITS A BID THAT CONTAINS THE LOWEST PERCENTAGE OF THE GROSS REVENUES OBTAINED FROM THE OPERATION OF VIDEO SLOT MACHINES THAT THE PERSON PROPOSES TO KEEP OR HOLD WHEN COMPARED TO THE PERCENTAGE OF THE GROSS REVENUES THAT THE OTHER PERSONS THAT SUBMITTED BIDS FOR THE SAME VIDEO SLOT MACHINE OPERATION LICENSE PROPOSE TO KEEP OR HOLD.

(D) NOTWITHSTANDING THE PROVISIONS OF TITLE 13 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AFTER THE CONCLUSIONS OF THE AUCTIONS, THE COMMISSION SHALL:

(1) MAKE THE APPLICATION FOR VIDEO SLOT MACHINE OPERATION LICENSES AVAILABLE TO THE PUBLIC;

(2) DISCLOSE TO THE PUBLIC THE PROSPECTIVE OPERATORS OF VIDEO SLOT MACHINE GAMING FACILITIES, THE OWNERSHIP INTERESTS OF THE PROSPECTIVE OPERATORS, AND THE LOCATIONS OF THE PROPOSED VIDEO SLOT MACHINE GAMING FACILITIES; AND

(3) SUMMARIZE THE TERMS OF EACH PROPOSAL AND MAKE THE SUMMARIES AVAILABLE TO THE PUBLIC.

(E) ALL BIDS SUBMITTED FOR A VIDEO SLOT MACHINE OPERATION LICENSE UNDER THIS SECTION:

(1) SHALL BE SUBMITTED TO THE COMMISSION BY DECEMBER 31, 2008;

(2) SHALL INCLUDE THE INFORMATION NECESSARY FOR APPLICATION FOR A VIDEO SLOT MACHINE OPERATION LICENSE AS REQUIRED BY THIS SUBTITLE AND BY REGULATIONS ADOPTED BY THE COMMISSION;

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

(4) SHALL INCLUDE A SWORN STATEMENT, ALONG WITH APPROPRIATE DOCUMENTATION, THAT THE BIDDER HAS SUFFICIENT FUNDS AVAILABLE TO PAY THE LICENSE FEE PROPOSED UNDER THE BID; AND

(5) SHALL BE REJECTED IF THEY ARE BASED ON A PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 39% OF THE GROSS PROCEEDS FROM VIDEO SLOT MACHINES.

(F) THE COMMISSION SHALL MAKE ITS DECISIONS ON THE AWARD OF BIDS FOR VIDEO SLOT MACHINE OPERATION LICENSES BY NOT LATER THAN MARCH 31, 2009.

(G) THE COMMISSION SHALL DETERMINE WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO SLOT MACHINE OPERATION LICENSE UNDER THIS SUBTITLE.

(H) THE COMMISSION SHALL REJECT A BID FOR A VIDEO SLOT MACHINE OPERATION LICENSE TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF:

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

(2) THE IDENTIFICATION OF THE APPLICANT AS CAREER OFFENDER OR A MEMBER OR ASSOCIATE OF A CAREER OFFENDER CARTEL, OR AS HAVING BEEN CONVICTED OF A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A GAMBLING OFFENSE; OR

(Over)

(3) ANY OTHER REASONABLE CRITERIA RELATING TO THE INFORMATION THE APPLICANT IS REQUIRED TO SUBMIT TO THE COMMISSION AS A CONDITION OF LICENSURE UNDER THIS SUBTITLE.

(I) AN UNSUCCESSFUL BIDDER FOR A VIDEO SLOT MACHINE 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 SLOT MACHINE OPERATION LICENSE BY THE COMMISSION.

(J) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (C)(3) OF THIS SECTION, THE COMMISSION SHALL AWARD AND ISSUE AT LEAST TWO OF THE SIX VIDEO SLOT MACHINE OPERATION LICENSES TO PERSONS LICENSED BY THE STATE RACING COMMISSION TO CONDUCT HORSE RACES IN THE STATE.

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

(L) THE COMMISSION MAY NOT AWARD AND ISSUE MORE THAN TWO VIDEO SLOT MACHINE OPERATION LICENSES TO THE SAME PERSON.

(M) THE COMMISSION MAY NOT AWARD AND ISSUE MORE THAN ONE VIDEO SLOT MACHINE OPERATION LICENSE IN ANY SINGLE COUNTY.

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

(P) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE, THE COMMISSION MAY NOT AWARD A VIDEO SLOT MACHINE OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE 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.

9-1A-25.

(A) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PROHIBIT A VIDEO SLOT MACHINE OPERATION LICENSEE FROM BEGINNING VIDEO SLOT MACHINE OPERATIONS IN A TEMPORARY FACILITY THAT MEETS THE MINIMUM REQUIREMENTS ESTABLISHED IN REGULATIONS ADOPTED BY THE COMMISSION.

(B) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, A VIDEO SLOT MACHINE OPERATION LICENSEE SHALL BE FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS AFTER THE ISSUANCE OF THE VIDEO SLOT MACHINE OPERATION LICENSE.

SECTION 2. 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 Gaming Commission appointed under this Act shall expire as follows:

- (1) one member in 2009;
- (2) one member in 2010; and
- (3) two members in 2011.

SECTION 3. AND BE IT FURTHER ENACTED, That the publishers of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, references in the Annotated Code to the State Lottery Commission and State Lottery Agency rendered incorrect by this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2008.”.