

HOUSE BILL 3

C7, F5

8lr0266
CF SB 3

By: **The Speaker (By Request – Administration)**

Introduced and read first time: October 29, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Education Trust Fund – Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation
4 of certain video lottery terminals; requiring the Governor to appoint a member
5 of the State Racing Commission to serve as a liaison to the State Lottery
6 Commission; requiring the State Racing Commission to award at least a certain
7 number of racing days to a certain racecourse in each calendar year; requiring
8 the Secretary of Health and Mental Hygiene to establish certain regional
9 centers for services to compulsive gamblers; requiring the Secretary to conduct
10 certain studies; altering the membership of the State Lottery Commission;
11 specifying certain requirements for members of the State Lottery Commission;
12 requiring the Governor to appoint a member of the State Lottery Commission to
13 serve as a liaison to the State Racing Commission; providing that members of
14 the State Lottery Commission may be compensated as provided in the State
15 budget; authorizing the operation of video lottery terminals connected to a
16 certain central computer that allows the State Lottery Commission to monitor a
17 video lottery terminal and that has certain capabilities; prohibiting access to the
18 central computer to certain licensees with a certain exception; providing that
19 only a person with a certain video lottery operation license may offer a video
20 lottery terminal for public use in the State; providing that this Act is statewide
21 and exclusive in its effect and that certain laws do not apply to video lottery
22 terminals authorized under this Act; authorizing the State Lottery Commission
23 to conduct certain investigations and hearings; requiring the State Lottery
24 Commission to adopt certain regulations; requiring the State Lottery
25 Commission to require a certain bond and collect certain fees, civil penalties,
26 and taxes; authorizing the State Lottery Commission to inspect and seize
27 certain equipment, financial information, and records without notice or
28 warrant; authorizing the Video Lottery Facility Location Commission to issue a
29 certain number of video lottery operation licenses under certain circumstances;
30 specifying limits on the number of video lottery terminals allowed in the State
31 and at certain facilities; requiring certain video lottery terminal manufacturers,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 video lottery operators, video lottery employees, and other individuals required
2 by the State Lottery Commission to be licensed; providing for the application
3 and licensing process; establishing certain eligibility criteria and disqualifying
4 criteria for a video lottery operation license; requiring certain licensees to
5 maintain certain numbers of live racing days; providing that certain licensees
6 are ineligible for certain funding if a certain horse racing event or trade names
7 and other items related to the event are transferred out of the State; requiring a
8 certain licensee to conduct a certain annual race with certain exceptions;
9 requiring certain licensees to submit to the State Racing Commission a certain
10 plan to improve the quality and marketing of horse racing; requiring certain
11 applicants and licensees to comply with certain provisions of law relating to
12 minority business participation; specifying that certain collective bargaining
13 agreements do not negate certain provisions of this Act; requiring certain
14 licensees to provide certain benefits and give certain preferences to certain
15 employees; providing for the monitoring of certain provisions of this Act by the
16 Governor's Office of Minority Affairs; providing that the Video Lottery Facility
17 Location Commission may reissue a video lottery operation license under
18 certain circumstances; providing for certain eligibility criteria and disqualifying
19 criteria for certain licenses; providing for certain waivers of certain licensing
20 and bonding requirements under certain circumstances; providing for certain
21 license terms; stating the intent of the General Assembly relating to video
22 lottery operation licenses; prohibiting a video lottery operation license from
23 being transferred or pledged as collateral; prohibiting certain licensees from
24 selling or otherwise transferring more than a certain percentage of the legal or
25 beneficial interest unless certain conditions are met; requiring that the transfer
26 of a certain interest in a person that holds a video lottery operation license be
27 approved by the State Lottery Commission; requiring the Department of State
28 Police to conduct certain background investigations in a certain manner;
29 requiring the State Lottery Commission to buy or lease the video lottery
30 terminals, associated equipment, and central computer authorized under this
31 Act; allowing a certain number of destination locations to be eligible for a video
32 lottery operation license under certain circumstances; establishing a Video
33 Lottery Facility Location Commission, its membership, and certain eligibility
34 requirements for membership; providing for certain reimbursements and
35 staffing; allowing the Video Lottery Facility Location Commission to award not
36 more than a certain number of video lottery operation licenses to certain video
37 lottery destination locations; requiring the Video Lottery Facility Location
38 Commission to consider certain factors; providing for the termination of the
39 Video Lottery Facility Location Commission; authorizing the Governor to
40 reconstitute the Video Lottery Facility Location Commission under certain
41 circumstances; authorizing the State Lottery Commission to reallocate certain
42 video lottery terminals to certain video lottery operation licensees under certain
43 circumstances; providing the minimum payout for video lottery terminals and
44 authorizing the State Lottery Commission to adopt certain video lottery
45 terminal payouts; providing for the hours of operation of video lottery terminals;
46 prohibiting the State Lottery Commission from issuing certain licenses under
47 certain circumstances; prohibiting a video lottery operation licensee from
48 offering food or beverages at no cost with a certain exception or from offering

1 food and beverages below certain prices; requiring the State Lottery
2 Commission to adopt certain regulations to reduce or mitigate the effects of
3 problem gambling; authorizing the State Lottery Commission to reprimand a
4 licensee or deny, suspend, or revoke certain licenses under certain
5 circumstances; requiring the Comptroller to collect and distribute certain money
6 in specified ways; requiring certain distributions from video lottery proceeds for
7 certain purposes; establishing the Education Trust Fund; requiring certain
8 distributions from video lottery proceeds to the Education Trust Fund to be used
9 for a certain purpose; establishing a Purse Dedication Account under the
10 authority of the State Racing Commission; providing for a certain distribution
11 from video lottery proceeds to the Purse Dedication Account for horse racing;
12 providing for certain distributions from the Purse Dedication Account for horse
13 racing in a certain manner; establishing a Racetrack Facility Renewal Account
14 under the authority of the State Racing Commission; providing for a certain
15 distribution from video lottery proceeds to the Racetrack Facility Renewal
16 Account for capital construction and improvements at racetracks; providing for
17 certain distributions from the Racetrack Facility Renewal Account for capital
18 construction and improvements at racetracks in a certain manner; establishing
19 a Small, Minority, and Women–Owned Businesses Account under the authority
20 of the Board of Public Works; providing for a certain distribution from video
21 lottery proceeds to the Small, Minority, and Women–Owned Businesses
22 Account; requiring the Board of Public Works to make certain grants to certain
23 fund managers to provide investment capital and loans to certain businesses;
24 requiring certain fund managers to provide certain reports and be subject to
25 certain audits; authorizing the State to pay certain transportation costs;
26 requiring the Department of Transportation to facilitate certain negotiations;
27 requiring a certain transportation plan to be developed by certain counties;
28 requiring certain distributions from video lottery proceeds to be provided as
29 local impact grants to certain counties and municipalities for certain purposes;
30 providing for the creation of certain local development councils; providing for
31 appointment and membership of certain local development councils; requiring
32 certain counties and municipalities to develop certain plans to be reviewed by
33 certain local development councils; authorizing certain fees and providing for a
34 certain distribution from certain fees to the Compulsive Gambling Fund;
35 creating a Compulsive Gambling Fund in the Department of Health and Mental
36 Hygiene; providing for certain disbursements from the Compulsive Gambling
37 Fund for certain purposes; authorizing moneys from the Compulsive Gambling
38 Fund to be used for certain addiction treatment services under certain
39 circumstances; exempting a certain procurement by the State Lottery
40 Commission from certain provisions of law; requiring the State Lottery
41 Commission to make a certain annual report by a certain date; prohibiting a
42 licensee for a certain period of time from employing, or entering into a financial
43 relationship with, an individual who was a member of the State Lottery
44 Commission or the Video Lottery Facility Location Commission; requiring the
45 State Lottery Agency to conduct certain market analyses and submit certain
46 reports; requiring the Governor to include certain funds in the State budget for
47 a certain fiscal year for a certain analysis; requiring a certain certification
48 entity to conduct certain studies and make certain reports; making the

1 provisions of this Act severable; providing for the staggering of the terms of
2 certain new members of the State Lottery Commission; defining certain terms;
3 providing that certain provisions of this Act are contingent on the termination
4 of another Act; making this Act contingent on the passage and ratification of a
5 certain constitutional amendment; and generally relating to the operation of
6 video lottery terminals at certain locations in the State.

7 BY adding to

8 Article – Business Regulation
9 Section 11–202(g)
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Business Regulation
14 Section 11–511
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2007 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Health – General
19 Section 19–801 and 19–802
20 Annotated Code of Maryland
21 (2005 Replacement Volume and 2007 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – Health – General
24 Section 19–803 and 19–804
25 Annotated Code of Maryland
26 (2005 Replacement Volume and 2007 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article – State Government
29 Section 9–105 and 9–108(d)
30 Annotated Code of Maryland
31 (2004 Replacement Volume and 2007 Supplement)

32 BY adding to

33 Article – State Government
34 Section 9–1A–01 through 9–1A–36 to be under the new subtitle “Subtitle 1A.
35 Video Lottery Terminals”
36 Annotated Code of Maryland
37 (2004 Replacement Volume and 2007 Supplement)

38 BY repealing and reenacting, with amendments,

39 Article – State Finance and Procurement
40 Section 11–203(a)(1)(xvi) and (xvii)
41 Annotated Code of Maryland

1 (2006 Replacement Volume and 2007 Supplement)

2 BY adding to

3 Article – State Finance and Procurement

4 Section 11–203(a)(1)(xviii)

5 Annotated Code of Maryland

6 (2006 Replacement Volume and 2007 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – State Finance and Procurement

9 Section 11–203(b)(3)

10 Annotated Code of Maryland

11 (2006 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – State Finance and Procurement

14 Section 11–203(b)(2)

15 Annotated Code of Maryland

16 (2006 Replacement Volume and 2007 Supplement)

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

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

20 **Article – Business Regulation**

21 11–202.

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

25 11–511.

26 (a) (1) On or before December 1, the Commission shall award all racing
27 days for the next calendar year.

28 (2) However, the Commission may meet after December 1 to award
29 racing days that are requested in applications.

30 (b) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
31 **SUBSECTION, THE** Commission may award for any calendar year up to the number of
32 racing days requested by an applicant.

33 **(2) THE COMMISSION SHALL AWARD AT LEAST 40 RACING DAYS**
34 **TO THE PIMLICO RACE COURSE IN BALTIMORE CITY IN EACH CALENDAR YEAR.**

1 (c) The decision of the Commission on the award of a racing day is final.

2 **Article - Health - General**

3 19-801.

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

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

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

9 19-802.

10 The General Assembly finds that:

11 (1) Compulsive gambling is a serious social problem;

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

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

16 19-803.

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

20 19-804.

21 (a) (1) The Secretary [may] **SHALL** make grants from or agreements for
22 the use of State **FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-33 OF**
23 **THE STATE GOVERNMENT ARTICLE**, and federal funds to help public agencies or
24 nonprofit organizations operate the [center] **REGIONAL CENTERS** for compulsive
25 gamblers **WHO RESIDE IN THE STATE** and establish and operate **ADDITIONAL** local
26 programs to provide the following for compulsive gamblers **WHO RESIDE IN THE**
27 **STATE AND THEIR IMMEDIATE FAMILY MEMBERS:**

28 (i) Inpatient services[.];

29 (ii) Outpatient services[.];

30 (iii) Partial care services[.];

- 1 (iv) Aftercare services[.];
- 2 (v) Consultative services[.];
- 3 (vi) Educational services[.];
- 4 (vii) **SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND**
- 5 **(VIII) Other preventive or rehabilitative services or treatment.**

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

8 **(B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND**
9 **REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND**
10 **PATHOLOGICAL GAMBLING IN THE STATE.**

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

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

17 **(D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR**
18 **BEFORE JULY 1, 2009.**

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

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

25 **Article – State Government**

26 9–105.

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

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

- 1 **(I) AT LEAST 25 YEARS OLD;**
- 2 **(II) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE**
3 **STATE FOR AT LEAST 5 YEARS;**
- 4 **(III) A QUALIFIED VOTER OF THE STATE; AND**
- 5 **(IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR**
6 **GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME**
7 **THAT INVOLVES MORAL TURPITUDE OR GAMBLING.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 9–108.

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

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

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

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

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

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

25 **9–1A–01.**

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

28 **(B) “APPLICANT” MEANS A PERSON WHO APPLIES FOR ANY LICENSE**
29 **REQUIRED UNDER THIS SUBTITLE.**

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

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

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

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

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

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

23 (1) INFORMATION RETRIEVAL;

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

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

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

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

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

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

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

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

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

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

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

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

22 (O) "MANUFACTURER" MEANS A PERSON:

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

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

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

1 (P) **“OWN” MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST**
2 **OF AT LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR**
3 **LICENSEE.**

4 (Q) **“PLAYER” MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY**
5 **TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.**

6 (R) (1) **“PROCEEDS” MEANS THE PART OF THE AMOUNT OF MONEY**
7 **BET THROUGH VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO**
8 **SUCCESSFUL PLAYERS BUT IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.**

9 (2) (I) **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
10 **“PROCEEDS” DOES NOT INCLUDE MONEY GIVEN AWAY BY A VIDEO LOTTERY**
11 **OPERATION LICENSEE AS FREE PROMOTIONAL PLAY AND USED BY PLAYERS TO**
12 **BET IN A VIDEO LOTTERY TERMINAL.**

13 (II) **AFTER THE FIRST FISCAL YEAR OF OPERATIONS, THE**
14 **EXCLUSION SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT**
15 **EXCEED 5% OF THE PROCEEDS RECEIVED IN THE PRIOR FISCAL YEAR BY THE**
16 **VIDEO LOTTERY OPERATION LICENSEE UNDER § 9-1A-27(A)(2) OF THIS**
17 **SUBTITLE.**

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

21 (T) **“PROGRESSIVE JACKPOT SYSTEM” MEANS A SYSTEM CAPABLE OF**
22 **LINKING ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR MORE LICENSED**
23 **FACILITIES AND OFFERING ONE OR MORE COMMON PROGRESSIVE JACKPOTS.**

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

26 (V) **“VIDEO LOTTERY DESTINATION LOCATION” MEANS A LOCATION**
27 **THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER PROVIDED BY**
28 **LAW A VIDEO LOTTERY OPERATION LICENSE.**

29 (W) **“VIDEO LOTTERY EMPLOYEE” MEANS AN EMPLOYEE OF A PERSON**
30 **WHO HOLDS A LICENSE.**

31 (X) **“VIDEO LOTTERY FACILITY” MEANS A FACILITY AT WHICH PLAYERS**
32 **PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.**

1 (Y) **“VIDEO LOTTERY OPERATION LICENSE” MEANS A LICENSE ISSUED**
2 **TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.**

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

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

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

15 (2) **“VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR**
16 **DEVICE:**

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

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

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

25 **9-1A-02.**

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

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

29 (C) (1) **THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO**
30 **LOTTERY TERMINALS OWNED OR LEASED BY THE STATE THAT ARE CONNECTED**
31 **TO A CENTRAL COMPUTER OWNED OR LEASED BY THE STATE THAT ALLOWS THE**
32 **COMMISSION TO MONITOR A VIDEO LOTTERY TERMINAL.**

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

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

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

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

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

14 (IV) **SUPPORTING AND MONITORING A PROGRESSIVE**
15 **JACKPOT SYSTEM CAPABLE OF OPERATING ONE OR MORE PROGRESSIVE**
16 **JACKPOTS.**

17 (4) **THE CENTRAL COMPUTER SHALL EMPLOY A WIDELY**
18 **ACCEPTED GAMING INDUSTRY COMMUNICATIONS PROTOCOL TO FACILITATE**
19 **THE ABILITY OF VIDEO LOTTERY TERMINAL MANUFACTURERS TO**
20 **COMMUNICATE WITH THE STATEWIDE SYSTEM.**

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

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

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

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

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

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

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

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

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

13 **9-1A-04.**

14 (A) THE COMMISSION SHALL:

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

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

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

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

25 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
26 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE
27 STATE LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS
28 SUBTITLE RELATED TO LICENSING;

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

4 **(7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS**
5 **EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO**
6 **LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE**
7 **VIDEO LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND**
8 **CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO**
9 **LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY**
10 **TERMINALS AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM**
11 **NECESSARY AND PROPER; AND**

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

15 **(B) THE COMMISSION MAY:**

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

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

22 **(3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN**
23 **A MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE**
24 **MARYLAND RULES; AND**

25 **(4) PROPOUND WRITTEN INTERROGATORIES.**

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

29 **(D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE**
30 **FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:**

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

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

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

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

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

14 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR
15 VIDEO LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR
16 VIDEO LOTTERY TERMINALS, THE TYPES AND VALUES OF PROMOTIONAL ITEMS
17 THAT MAY BE GIVEN AWAY TO ENCOURAGE PLAY OF VIDEO LOTTERY
18 TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
19 TERMINALS;

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

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

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

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

32 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF
33 ACCOUNTANCY METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO
34 ASSURE CONSISTENCY, COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL

1 FINANCIAL INFORMATION, INCLUDING PERCENTAGES OF PROFIT FOR VIDEO
2 LOTTERY TERMINALS;

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

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

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

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

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

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

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

25 (4) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES
26 OF VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE
27 VIDEO LOTTERY OPERATIONS FROM THE REQUIREMENTS OF THIS SUBSECTION
28 IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT NECESSARY
29 IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES
30 ESTABLISHED UNDER THIS SUBTITLE.

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

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

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

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

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

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

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

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

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

28 **(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION**
29 **ESTABLISHED UNDER § 9-1A-36 OF THIS SUBTITLE MAY NOT:**

30 **(1) ISSUE MORE THAN FIVE VIDEO LOTTERY OPERATION**
31 **LICENSES;**

32 **(2) AWARD MORE THAN 15,000 VIDEO LOTTERY TERMINALS FOR**
33 **OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE; AND**

1 **(3) SUBJECT TO THE REQUIREMENTS OF § 9-1A-36(H) AND (I) OF**
2 **THIS SUBTITLE, AWARD MORE THAN 4,250 TERMINALS FOR OPERATION AT ANY**
3 **VIDEO LOTTERY FACILITY.**

4 **(B) AN OWNER OR OPERATOR OF A VIDEO LOTTERY DESTINATION**
5 **LOCATION DESCRIBED UNDER § 9-1A-01 OF THIS SUBTITLE MAY SUBMIT AN**
6 **APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE.**

7 **(C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A**
8 **GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE**
9 **VIDEO LOTTERY DESTINATION LOCATION AT THE TIME THE LICENSE IS ISSUED.**

10 **(D) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF**
11 **OWNER OR BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER,**
12 **DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR**
13 **BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY**
14 **OTHER PROVISIONS OF THIS SUBTITLE, INCLUDING A PERSON HAVING ANY**
15 **OWNERSHIP INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP**
16 **INTEREST.**

17 **(2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN**
18 **INTEREST IN MORE THAN ONE VIDEO LOTTERY FACILITY.**

19 **9-1A-06.**

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

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

23 **(2) A MANUFACTURER;**

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

28 **(4) A VIDEO LOTTERY EMPLOYEE.**

29 **(B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT**
30 **CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A**
31 **LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE**
32 **LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE**

1 PUBLIC INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS
2 SUBTITLE.

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

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

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

19 **9-1A-07.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (III) THE APPLICANT’S OR LICENSEE’S GOOD CHARACTER,
7 HONESTY, AND INTEGRITY; AND

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

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

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

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

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

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

32 (F) EXCEPT AS PROVIDED IN § 9-1A-13 OF THIS SUBTITLE, IF
33 SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON
34 TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND

1 TAXES, AND ANY BOND REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE
2 COMMISSION SHALL ISSUE A LICENSE FOR A TERM OF 1 YEAR.

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

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

10 **9-1A-08.**

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

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

16 (2) THE NAMES, PERSONAL EMPLOYMENT, AND, WHEN
17 APPLICABLE, CRIMINAL HISTORIES OF THE OFFICERS, DIRECTORS, PARTNERS,
18 AND PRINCIPAL EMPLOYEES OF THE BUSINESS ENTITY;

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

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

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

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

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

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

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

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

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

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

16 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

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

21 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON
22 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF
23 A LICENSE FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS SUBSECTION,
24 PROVIDED THAT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION MAY
25 DEFER ITS DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
26 CHARGE;

27 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED
28 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF
29 ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN
30 VIOLATION OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A
31 REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT IN VIDEO
32 LOTTERY OPERATIONS WOULD BE INIMICAL TO THE POLICIES OF THIS
33 SUBTITLE;

34 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
35 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
36 LICENSE AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER

1 CARTEL OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER
2 CARTEL IN A MANNER THAT CREATES A REASONABLE BELIEF THAT THE
3 ASSOCIATION IS OF A NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS
4 SUBTITLE;

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

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

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

19 **9-1A-09.**

20 (A) IN THIS SECTION, "RACING LICENSEE" MEANS THE HOLDER OF A
21 LICENSE ISSUED BY THE STATE RACING COMMISSION TO HOLD A RACE
22 MEETING IN THE STATE UNDER TITLE 11 OF THE BUSINESS REGULATION
23 ARTICLE.

24 (B) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§ 9-1A-28
25 AND 9-1A-29 OF THIS SUBTITLE, A RACING LICENSEE SHALL:

26 (1) MAINTAIN AT LEAST THE SAME NUMBER OF LIVE RACING
27 DAYS AS WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT
28 LOCATION IN 2004, UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER,
29 ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE
30 RACING LICENSEE;

31 (2) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR
32 PIMLICO RACE COURSE AND LAUREL PARK, RETAIN IN THE STATE OF
33 MARYLAND THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE
34 MARKS, TRADEMARKS, TRADE NAMES, AND HORSE RACING EVENTS THAT ARE
35 ASSOCIATED WITH THE PREAKNESS STAKES AND THE WOODLAWN VASE;

1 **(3) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR**
2 **THE PIMLICO RACE COURSE, PROMOTE AND CONDUCT THE PREAKNESS**
3 **STAKES EACH YEAR AT:**

4 **(I) THE PIMLICO RACE COURSE; OR**

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

11 **(4) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR**
12 **LAUREL PARK, PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE**
13 **RUN ANNUALLY AT LAUREL PARK UNLESS:**

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

17 **(II) THE RACING LICENSEE AND THE MARYLAND MILLION**
18 **LLC AGREE TO ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING**
19 **COMMISSION;**

20 **(5) DEVELOP AND SUBMIT TO THE STATE RACING COMMISSION A**
21 **MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF HORSE**
22 **RACING AT RACETRACK LOCATIONS OWNED OR OPERATED BY THE RACING**
23 **LICENSEE IN MARYLAND, WHICH SHALL INCLUDE:**

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

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

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

32 **2. AN ONGOING INVESTMENT IN CAPITAL**
33 **MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT**

1 LEAST \$1,500,000 ANNUALLY, WHICH MAY INCLUDE AMOUNTS PROVIDED AS A
2 MATCHING FUND AS REQUIRED UNDER § 9-1A-28(E)(2) OF THIS SUBTITLE; AND

3 (6) DEVELOP WITH OTHER RACING INDUSTRY REPRESENTATIVES
4 A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE
5 RACING INDUSTRY IN MARYLAND, WHICH SHALL INCLUDE GOALS, INDICATORS,
6 AND TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE
7 THOROUGHBRED AND HARNESS RACING INDUSTRIES TO IMPROVE THE QUALITY
8 AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING
9 JOINT MARKETING EFFORTS.

10 (C) AS PART OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS
11 IN THE PLAN SUBMITTED UNDER SUBSECTION (B)(5) OF THIS SECTION, A
12 RACING LICENSEE SHALL INCLUDE ANY IMPROVEMENTS NECESSARY TO
13 ENSURE THAT THE CONDITION OF ANY PART OF THE RACETRACK FACILITY
14 WHERE INDIVIDUALS RESIDE IS SATISFACTORY FOR HUMAN HABITATION AND
15 MEETS MINIMUM HOUSING AND SANITATION STANDARDS IN THE COUNTY
16 WHERE THE FACILITY IS LOCATED.

17 (D) THE PLANS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION
18 SHALL ALSO BE PROVIDED TO THE DEPARTMENT OF GENERAL SERVICES AND
19 TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

20 **9-1A-10.**

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

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

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

35 (4) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY
36 FACILITY BELIEVES THAT THE APPLICANT HAS BEEN DISCRIMINATED AGAINST

1 IN THE EMPLOYMENT PROCESS, THE APPLICANT MAY APPEAL THE
2 EMPLOYMENT DECISION TO THE LOCAL HUMAN RELATIONS BOARD IN THE
3 COUNTY WHERE THE FACILITY IS LOCATED.

4 (5) NOTWITHSTANDING ANY COLLECTIVE BARGAINING
5 AGREEMENT OR AGREEMENTS, A LICENSEE SHALL:

6 (I) PROVIDE HEALTH INSURANCE COVERAGE FOR ITS
7 EMPLOYEES; AND

8 (II) GIVE A PREFERENCE TO HIRING QUALIFIED EMPLOYEES
9 FROM THE COMMUNITIES WITHIN 10 MILES OF THE VIDEO LOTTERY FACILITY.

10 (6) NOTWITHSTANDING ANY COLLECTIVE BARGAINING
11 AGREEMENT OR AGREEMENTS, IF THE LICENSEE IS A RACETRACK LOCATION,
12 THE LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE TO ALL
13 EMPLOYEES OF THE RACETRACK, INCLUDING THE EMPLOYEES OF THE
14 RACETRACK ON THE BACKSTRETCH OF THE RACETRACK.

15 (B) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
16 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF SUBSECTION
17 (A)(1) AND (2) OF THIS SECTION AS A CONDITION OF HOLDING THE VIDEO
18 LOTTERY OPERATION LICENSE.

19 (2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL
20 MONITOR A LICENSEE'S COMPLIANCE WITH SUBSECTION (A)(1) AND (2) OF THIS
21 SECTION.

22 (3) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL
23 REPORT TO THE COMMISSION AT LEAST EVERY 6 MONTHS ON THE COMPLIANCE
24 OF LICENSEES WITH SUBSECTION (A)(1) AND (2) OF THIS SECTION.

25 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS
26 REPORTS THAT A LICENSEE IS NOT IN COMPLIANCE WITH SUBSECTION (A)(1)
27 AND (2) OF THIS SECTION, THE COMMISSION SHALL TAKE IMMEDIATE ACTION
28 TO ENSURE THE COMPLIANCE OF THE LICENSEE.

29 (C) ON OR AFTER JULY 1, 2011, THE PROVISIONS OF SUBSECTION
30 (A)(1) AND (2) OF THIS SECTION AND ANY REGULATIONS ADOPTED UNDER
31 SUBSECTION (A)(1) AND (2) OF THIS SECTION SHALL BE OF NO EFFECT AND MAY
32 NOT BE ENFORCED.

33 9-1A-11.

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

4 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
5 SUBSECTION, A LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY
6 TERMINALS AT THE LOCATION FOR WHICH THE VIDEO LOTTERY OPERATION
7 LICENSE HAS BEEN ISSUED WITHIN 18 MONTHS AFTER THE LICENSE IS ISSUED.

8 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT
9 EXTENUATING CIRCUMSTANCES EXIST THAT ARE BEYOND THE CONTROL OF A
10 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE
11 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION
12 MAY ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE
13 REQUIREMENTS.

14 (II) THE COMMISSION MAY NOT GRANT MORE THAN TWO
15 EXTENSIONS TO A LICENSEE UNDER THIS PARAGRAPH.

16 (3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY
17 WITH THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE
18 LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE
19 STATE.

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

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

31 9-1A-12.

32 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
33 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION
34 LICENSEE TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO
35 LOTTERY FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR
36 CONTROLS THE PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND

1 OTHER PRINCIPAL EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE
2 STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS
3 SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

4 **9-1A-13.**

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

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

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

16 (D) WITHIN 1 YEAR OF THE END OF THE INITIAL 15-YEAR LICENSE
17 TERM, A VIDEO LOTTERY OPERATION LICENSEE MAY REAPPLY FOR A LICENSE
18 THAT HAS A LICENSE TERM OF 10 YEARS AND A LICENSE FEE TO BE
19 ESTABLISHED BY STATUTE.

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

23 **9-1A-14.**

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

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

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

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

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

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

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

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

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

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

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

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

34 9-1A-15.

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

7 (B) EACH MANUFACTURER, AND EACH PERSON THAT OWNS OR
8 CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY
9 PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER,
10 SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN §§
11 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION
12 LICENSEES.

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

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

22 **9-1A-16.**

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

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

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

33 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,
34 ON THE REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN
35 EXEMPTION OR WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR
36 DENIAL OF A LICENSE IF THE COMMISSION DETERMINES THAT THE

1 REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE AS APPLIED TO THE
2 APPLICANT ARE NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST
3 OR ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

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

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

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

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

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

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

21 (1) PROPER APPLICATION FOR RENEWAL; AND

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

24 **9-1A-18.**

25 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY
26 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF
27 THE STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN
28 VIDEO LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE
29 DEEMED A REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND
30 CONTINUED QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE
31 AFFIRMATIVE RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE
32 REGULATORY AND INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR
33 ANY OTHER PROVISION OF LAW, ANY ASSISTANCE AND INFORMATION

1 NECESSARY TO ASSURE THAT THE POLICIES DECLARED BY THIS SUBTITLE ARE
2 ACHIEVED.

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

5 (1) PRECLUDE:

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

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

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

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

15 **9-1A-19.**

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

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

18 (2) PLEDGED AS COLLATERAL.

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

21 (I) THE LICENSEE NOTIFIES THE COMMISSION OF THE
22 PROPOSED SALE OR TRANSFER; AND

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

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

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

2 (A) **THE DEPARTMENT OF STATE POLICE SHALL:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (2) UNDER THE CONTROL OF THE COMMISSION.

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

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

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

26 (A) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS
27 SECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE PAYOUT
28 PERCENTAGE OF AT LEAST 90%.

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

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

4 **9-1A-23.**

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

7 (B) A VIDEO LOTTERY OPERATION LICENSEE SHALL BE RESPONSIBLE
8 FOR ALL MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY
9 OPERATION.

10 (C) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH
11 THE COMMISSION MAY BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN
12 THE STATE.

13 **9-1A-24.**

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

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

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

27 (3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD
28 AT NO COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE
29 2B, § 12-106 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER
30 OF SPIRITUOUS, MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER THE
31 LAWS OF MARYLAND.

32 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
33 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS
34 ARE NOT ALLOWED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT

1 ALLOWED IN AREAS OF THE VIDEO LOTTERY FACILITY WHERE VIDEO LOTTERY
2 TERMINALS ARE LOCATED.

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

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

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

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

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

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

24 (4) AN ORDER UNDER THIS SUBSECTION IS SUBJECT TO JUDICIAL
25 REVIEW.

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

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

32 (2) THE REGULATIONS SHALL:

1 (I) **INCLUDE ESTABLISHMENT OF A VOLUNTARY EXCLUSION**
2 **LIST OF INDIVIDUALS WITH GAMBLING PROBLEMS WHO HAVE REQUESTED TO**
3 **BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION LICENSED UNDER THIS**
4 **SUBTITLE; AND**

5 (II) **PROVIDE A SIMPLE MECHANISM FOR AN INDIVIDUAL**
6 **WHO IS SOBER AND INFORMED TO REQUEST PLACEMENT ON THE VOLUNTARY**
7 **EXCLUSION LIST FOR A SPECIFIED PERIOD OF TIME.**

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

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

15 (F) **IN ORDER TO PROTECT THE PUBLIC INTEREST, THE REGULATIONS**
16 **SHALL INCLUDE PROVISIONS THAT:**

17 (1) **LIMIT THE NUMBER AND LOCATION OF AND MAXIMUM**
18 **WITHDRAWAL AMOUNTS FROM AUTOMATED TELLER MACHINES;**

19 (2) **REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY THE**
20 **COMMISSION TO BE MADE BY CHECK;**

21 (3) **REQUIRE CONSPICUOUS DISCLOSURES RELATED TO THE**
22 **PAYOUT OF VIDEO LOTTERY TERMINALS;**

23 (4) **LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY**
24 **TERMINALS WILL ACCEPT;**

25 (5) **PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS**
26 **AT VIDEO LOTTERY FACILITIES AND THE USE OF CREDIT CARDS, DEBIT CARDS,**
27 **AND SIMILAR DEVICES IN VIDEO LOTTERY TERMINALS;**

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

31 (7) **PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM**
32 **ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY**
33 **MARKETING PRACTICES.**

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

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

5 (1) THIS SUBTITLE;

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

7 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

15 (I) THE SERIOUSNESS OF THE VIOLATION;

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

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

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

24 **9-1A-26.**

25 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY
26 TERMINALS SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE
27 LOTTERY FUND ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND
28 DISTRIBUTED AS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE.

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

3 **(2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE**
4 **UNDER THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS**
5 **PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE.**

6 **9-1A-27.**

7 **(A) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**
8 **COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM**
9 **THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT EACH VIDEO LOTTERY**
10 **FACILITY:**

11 **(1) 5% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED**
12 **IN § 9-1A-01 OF THIS SUBTITLE;**

13 **(2) TO THE VIDEO LOTTERY OPERATION LICENSEE, THE**
14 **PERCENTAGE STATED IN THE ACCEPTED BID FOR THE LOCATION, NOT TO**
15 **EXCEED 30%;**

16 **(3) 5.5% IN LOCAL IMPACT GRANTS, IN ACCORDANCE WITH**
17 **§ 9-1A-31 OF THIS SUBTITLE;**

18 **(4) 6% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED**
19 **UNDER § 9-1A-28 OF THIS SUBTITLE, NOT TO EXCEED A TOTAL OF \$100,000,000**
20 **TO THE ACCOUNT ANNUALLY;**

21 **(5) FOR THE FIRST 7 YEARS OF OPERATIONS AT A VIDEO LOTTERY**
22 **FACILITY, 2.5% TO THE RACETRACK FACILITY RENEWAL ACCOUNT**
23 **ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE, NOT TO EXCEED A TOTAL**
24 **OF \$40,000,000 TO THE ACCOUNT ANNUALLY;**

25 **(6) 1% TO THE SMALL, MINORITY, AND WOMEN-OWNED**
26 **BUSINESSES ACCOUNT ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE; AND**

27 **(7) THE REMAINDER TO THE EDUCATION TRUST FUND**
28 **ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

29 **(B) IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN**
30 **THE PROCEEDS SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION, ANY**
31 **AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE PAID**
32 **TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS**
33 **SUBTITLE.**

1 **9-1A-28.**

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

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

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

9 (3) **THE COMPTROLLER SHALL:**

10 (I) **ACCOUNT FOR THE ACCOUNT; AND**

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

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

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

19 (C) **SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE**
20 **STATE RACING COMMISSION SHALL ALLOCATE AS FOLLOWS:**

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

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

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

25 (1) **89% TO THOROUGHBRED PURSES AT THE PIMLICO RACE**
26 **COURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE**
27 **RACECOURSE AT TIMONIUM; AND**

28 (2) **11% TO THE MARYLAND-BRED RACE FUND.**

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

3 **(1) 89% TO STANDARDBRED PURSES AT ROSECROFT RACEWAY,**
4 **OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY;**
5 **AND**

6 **(2) 11% TO THE STANDARDBRED RACE FUND.**

7 **(F) FROM THE AMOUNT PROVIDED TO THOROUGHBRED PURSES, THE**
8 **STATE RACING COMMISSION SHALL PAY AN ANNUAL GRANT OF \$100,000 TO**
9 **FAIR HILL, AS DEFINED UNDER § 11-811 OF THE BUSINESS REGULATION**
10 **ARTICLE.**

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

14 **(H) IF THE STATE RACING COMMISSION DECIDES THAT A RACETRACK**
15 **LICENSEE DOES NOT MEET THE REQUIREMENTS SET FORTH FOR CAPITAL**
16 **IMPROVEMENTS OR OTHER EVALUATION CRITERIA DEVELOPED BY THE**
17 **COMMISSION, THE COMMISSION SHALL REDUCE PURSE ALLOTMENTS BY AT**
18 **LEAST 25%.**

19 **9-1A-29.**

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

22 **(B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER**
23 **§ 9-1A-27 OF THIS SUBTITLE.**

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

27 **(3) THE COMPTROLLER SHALL:**

28 **(I) ACCOUNT FOR THE ACCOUNT; AND**

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

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

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

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

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

11 (1) **80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND**
12 **THE RACECOURSE AT TIMONIUM; AND**

13 (2) **20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE**
14 **COURSE.**

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

17 (1) **SUBMIT A CAPITAL CONSTRUCTION PLAN TO BE**
18 **IMPLEMENTED WITHIN A SPECIFIED TIME FRAME TO THE STATE RACING**
19 **COMMISSION FOR APPROVAL; AND**

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

22 (F) (1) **OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY**
23 **RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, \$1,000,000**
24 **SHALL BE PROVIDED ANNUALLY FOR 5 YEARS TO THE RACECOURSE AT**
25 **TIMONIUM FOR RACETRACK FACILITY CAPITAL CONSTRUCTION AND**
26 **IMPROVEMENTS.**

27 (2) **A MATCHING FUND IS NOT REQUIRED FOR THE AMOUNT**
28 **PROVIDED FOR THE RACECOURSE AT TIMONIUM UNDER PARAGRAPH (1) OF**
29 **THIS SUBSECTION.**

30 (G) **OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY**
31 **RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, THE STATE**
32 **RACING COMMISSION MAY PROVIDE DIRECT GRANT FUNDING FOR THE**

1 ESTABLISHMENT OF A HORSE RACING MUSEUM AS PART OF THE PIMLICO RACE
2 COURSE.

3 (H) AFTER A GRANT HAS BEEN PROVIDED UNDER THIS SECTION, THE
4 STATE RACING COMMISSION SHALL:

5 (1) IN CONSULTATION WITH THE DEPARTMENT OF GENERAL
6 SERVICES, MONITOR THE IMPLEMENTATION OF THE APPROVED CAPITAL
7 CONSTRUCTION PLAN; AND

8 (2) MAKE PROVISIONS FOR RECAPTURE OF GRANT MONEYS IF
9 THE CAPITAL CONSTRUCTION PLAN IS NOT IMPLEMENTED WITHIN THE TIME
10 FRAME APPROVED BY THE STATE RACING COMMISSION.

11 (I) ANY UNENCUMBERED FUNDS REMAINING IN THE RACETRACK
12 FACILITY RENEWAL ACCOUNT ON JULY 1, 2018, SHALL BE PAID TO THE
13 EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

14 (J) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO
15 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS
16 TO ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE
17 MADE BY THE HOLDER OF A LICENSE.

18 (K) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO
19 APPLY TO THE RACECOURSE IN ALLEGANY COUNTY.

20 **9-1A-30.**

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

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

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

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

31 (1) PROVIDE FUNDING FOR PUBLIC ELEMENTARY AND
32 SECONDARY EDUCATION, THROUGH CONTINUATION OF THE FUNDING AND

1 FORMULAS ESTABLISHED UNDER THE PROGRAMS COMMONLY KNOWN AS THE
2 BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT, FIRST ENACTED BY
3 CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002, INCLUDING
4 THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF EDUCATION
5 UNDER § 5-202(F) OF THE EDUCATION ARTICLE;

6 (2) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS
7 AND PROVIDE PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH
8 §§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE; AND

9 (3) PROVIDE FUNDS FOR CAPITAL PROJECTS AT COMMUNITY
10 COLLEGES AND PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS.

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

13 **9-1A-31.**

14 (A) THE LOCAL IMPACT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS
15 SUBTITLE SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

16 (1) 82% TO THE LOCAL JURISDICTIONS WITH VIDEO LOTTERY
17 FACILITIES, BASED ON EACH JURISDICTION'S PERCENTAGE OF OVERALL GROSS
18 REVENUES FROM VIDEO LOTTERY TERMINALS.

19 (2) 18% TO THE PIMLICO COMMUNITY DEVELOPMENT
20 AUTHORITY ESTABLISHED UNDER TITLE 11, SUBTITLE 12 OF THE BUSINESS
21 REGULATION ARTICLE, TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

22 (I) AT LEAST 75% CONSISTENT WITH THE PARK HEIGHTS
23 MASTER PLAN; AND

24 (II) THE REMAINDER CONSISTENT WITH NEEDS IDENTIFIED
25 BY THE BALTIMORE CITY DEPARTMENT OF HOUSING AND COMMUNITY
26 DEVELOPMENT IN THE AREA LOCATED WITHIN 1 MILE OF PIMLICO RACE
27 COURSE, BUT NOT WITHIN THE BOUNDARIES OF THE PARK HEIGHTS MASTER
28 PLAN.

29 (B) LOCAL IMPACT GRANTS PROVIDED UNDER SUBSECTION (A)(1) OF
30 THIS SECTION SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN
31 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES AND MAY BE USED
32 FOR THE FOLLOWING PURPOSES:

33 (1) INFRASTRUCTURE IMPROVEMENTS;

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

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

9 **(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A LOCAL**
10 **DEVELOPMENT COUNCIL SHALL CONSIST OF THE FOLLOWING 15 MEMBERS**
11 **APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN WHICH THE LOCAL**
12 **DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH THE SENATORS**
13 **AND DELEGATES WHO REPRESENT THE COMMUNITIES SURROUNDING THE**
14 **FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY COUNCILS, OR**
15 **COUNTY COMMISSIONERS:**

16 **(i) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE**
17 **THE FACILITY IS LOCATED;**

18 **(ii) TWO DELEGATES WHO REPRESENT THE DISTRICTS**
19 **WHERE THE COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;**

20 **(iii) ONE REPRESENTATIVE OF THE VIDEO LOTTERY**
21 **OPERATION LICENSEE;**

22 **(iv) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE**
23 **PROXIMITY TO THE FACILITY; AND**

24 **(v) FOUR REPRESENTATIVES OF BUSINESSES OR**
25 **INSTITUTIONS LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.**

26 **(3) (i) IF THE VIDEO LOTTERY FACILITY IS AT A RACE TRACK**
27 **LOCATION AT LAUREL PARK, THE COUNTY EXECUTIVE OF ANNE ARUNDEL**
28 **COUNTY AND THE MAYOR OF THE CITY OF LAUREL SHALL JOINTLY APPOINT**
29 **THE LOCAL DEVELOPMENT COUNCIL.**

1 (II) IF THE VIDEO LOTTERY FACILITY IS AT A RACE TRACK
2 LOCATION AT THE OCEAN DOWNS RACE COURSE, THE COUNTY
3 COMMISSIONERS OF WORCESTER COUNTY AND THE MAYOR OF THE TOWN OF
4 OCEAN CITY SHALL JOINTLY APPOINT THE LOCAL DEVELOPMENT COUNCIL.

5 (D) (1) PRIOR TO ANY EXPENDITURE OF LOCAL IMPACT GRANT
6 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY OR
7 MUNICIPALITY SHALL DEVELOP, IN CONSULTATION WITH THE LOCAL
8 DEVELOPMENT COUNCIL, A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE
9 LOCAL IMPACT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT
10 WITH SUBSECTION (B) OF THIS SECTION.

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

14 (3) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE
15 COUNTY OR MUNICIPALITY ON THE IMPACT OF THE FACILITY ON THE
16 COMMUNITIES AND THE NEEDS AND PRIORITIES OF THE COMMUNITIES IN
17 IMMEDIATE PROXIMITY TO THE FACILITY.

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

21 (II) ON THE REQUEST OF A LOCAL DEVELOPMENT COUNCIL,
22 THE COUNTY OR MUNICIPALITY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

23 (5) A COUNTY OR MUNICIPALITY SHALL MAKE BEST EFFORTS TO
24 ACCOMMODATE THE RECOMMENDATIONS OF THE LOCAL DEVELOPMENT
25 COUNCIL AND ANY TESTIMONY PRESENTED AT THE HEARING BEFORE
26 ADOPTING THE PLAN REQUIRED UNDER THIS SUBSECTION.

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

30 **9-1A-32.**

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

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

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

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

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

7 (II) **APPROVED BY THE MARYLAND DEPARTMENT OF**
8 **TRANSPORTATION.**

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

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

17 **9-1A-33.**

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

19 (1) **ESTABLISH AN ANNUAL FEE OF \$425, TO BE PAID BY EACH**
20 **VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL**
21 **OPERATED BY THE LICENSEE DURING THE YEAR; AND**

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

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

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

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

4 **(4) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS**
5 **SUBSECTION, EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL**
6 **BE MADE ONLY BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO:**

7 **(I) ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND**
8 **PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT**
9 **SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND**

10 **(II) DEVELOP AND IMPLEMENT PROBLEM GAMBLING**
11 **PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER**
12 **TITLE 19, SUBTITLE 8 OF THE HEALTH – GENERAL ARTICLE.**

13 **(5) AFTER SATISFYING THE REQUIREMENTS OF PARAGRAPH (4)**
14 **OF THIS SUBSECTION, ANY UNSPENT FUNDS IN THE COMPULSIVE GAMBLING**
15 **FUND MAY BE EXPENDED BY THE DEPARTMENT OF HEALTH AND MENTAL**
16 **HYGIENE ON DRUG AND OTHER ADDICTION TREATMENT SERVICES.**

17 **(6) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND**
18 **SHALL BE MADE IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE**
19 **GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET**
20 **AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE**
21 **AND PROCUREMENT ARTICLE.**

22 **9-1A-34.**

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

25 **(1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY**
26 **FACILITIES; AND**

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

30 **9-1A-35.**

31 **(A) THERE IS A SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES**
32 **ACCOUNT UNDER THE AUTHORITY OF THE BOARD OF PUBLIC WORKS.**

1 **(B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER**
2 **§ 9-1A-27 OF THIS SUBTITLE.**

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

6 **(3) THE COMPTROLLER SHALL:**

7 **(I) ACCOUNT FOR THE ACCOUNT; AND**

8 **(II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED**
9 **BY THE BOARD OF PUBLIC WORKS, ISSUE A WARRANT TO PAY OUT MONEY**
10 **FROM THE ACCOUNT IN THE MANNER PROVIDED UNDER THIS SECTION.**

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

13 **(5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE**
14 **ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE BOARD OF**
15 **PUBLIC WORKS AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.**

16 **(C) (1) IN THIS SUBSECTION, “ELIGIBLE FUND MANAGER” MEANS AN**
17 **ENTITY THAT HAS:**

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

20 **(II) AT LEAST 75% OF ITS ENTIRE INVESTMENT PORTFOLIO**
21 **IN DEBT AND EQUITY AND NEAR EQUITY TYPES OF INVESTMENTS MADE FOR THE**
22 **PURPOSE OF INVESTING IN SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES**
23 **FOR THE PURPOSE OF CREATING AND RETAINING JOBS IN THE STATE.**

24 **(2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (3) OF THIS**
25 **SUBSECTION, THE BOARD OF PUBLIC WORKS SHALL MAKE GRANTS TO**
26 **ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL AND LOANS TO**
27 **SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE STATE.**

28 **(3) THE BOARD OF PUBLIC WORKS SHALL ENSURE THAT**
29 **ELIGIBLE FUND MANAGERS ALLOCATE AT LEAST 50% OF THE FUNDS FROM THIS**
30 **ACCOUNT TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE**
31 **JURISDICTIONS AND COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.**

32 **(D) FUND MANAGERS RECEIVING GRANTS UNDER THIS SECTION SHALL:**

1 (1) **KEEP PROPER RECORDS OF FUNDS AND ACCOUNTS;**

2 (2) **PROVIDE AN ANNUAL REPORT TO THE GOVERNOR AND, IN**
3 **ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, THE GENERAL ASSEMBLY ON**
4 **INVESTMENT CAPITAL AND LOANS MADE PURSUANT TO SUBSECTION (C) OF**
5 **THIS SECTION; AND**

6 (3) **BE SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE**
7 **AUDITS OF THE DEPARTMENT OF LEGISLATIVE SERVICES.**

8 **9-1A-36.**

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

10 (B) (1) **THE VIDEO LOTTERY FACILITY LOCATION COMMISSION**
11 **CONSISTS OF SEVEN MEMBERS.**

12 (2) (I) **SIX OF THE MEMBERS SHALL BE APPOINTED BY THE**
13 **GOVERNOR; AND**

14 (II) **ONE OF THE MEMBERS SHALL BE APPOINTED BY THE**
15 **STATE TREASURER.**

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

19 (4) **THE APPOINTEE OF THE STATE TREASURER SHALL BE THE**
20 **CHAIR OF THE COMMISSION;**

21 (5) **THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF**
22 **THE SENATE, THE SPEAKER OF THE HOUSE OF DELEGATES, AND THE STATE**
23 **TREASURER, MAY REMOVE A MEMBER OF THE COMMISSION FOR INEFFICIENCY,**
24 **MISCONDUCT IN OFFICE, OR NEGLECT OF DUTY.**

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

27 (1) **SHALL BE AT LEAST 21 YEARS OF AGE;**

28 (2) **SHALL BE A CITIZEN OF THE UNITED STATES;**

29 (3) **SHALL BE A RESIDENT OF THE STATE;**

1 **(4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL**
2 **MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:**

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

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

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

10 **(5) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED**
11 **PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT**
12 **INVOLVES GAMBLING OR MORAL TURPITUDE;**

13 **(6) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON**
14 **WHO HOLDS A LICENSE UNDER THIS SUBTITLE;**

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

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

22 **(9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT**
23 **FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY**
24 **GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING**
25 **SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMING**
26 **ACTIVITY.**

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

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

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

4 **(E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE**
5 **SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION**
6 **COMMISSION.**

7 **(2) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL**
8 **CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS**
9 **SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE**
10 **GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY**
11 **LOCATION COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED**
12 **UNDER THIS SECTION.**

13 **(F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY**
14 **AWARD NOT MORE THAN FIVE VIDEO LOTTERY OPERATION LICENSES TO**
15 **QUALIFIED BIDDERS, THROUGH COMPETITIVE SEALED BIDS UNDER TITLE 13**
16 **OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

17 **(G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT**
18 **AWARD MORE THAN ONE VIDEO LOTTERY FACILITY OPERATION LICENSE IN A**
19 **SINGLE COUNTY OR BALTIMORE CITY.**

20 **(H) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE**
21 **FOR A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION, A**
22 **PROPOSED VIDEO LOTTERY FACILITY SHALL BE LOCATED IN ONE OF THE**
23 **FOLLOWING COUNTIES:**

24 **(1) A LOCATION WITH NOT MORE THAN 4,250 VIDEO LOTTERY**
25 **TERMINALS IN ANNE ARUNDEL COUNTY, WITHIN 2 MILES OF MD ROUTE 295;**

26 **(2) A LOCATION WITH NOT MORE THAN 2,500 VIDEO LOTTERY**
27 **TERMINALS IN CECIL COUNTY, WITHIN 2 MILES OF INTERSTATE 95;**

28 **(3) A LOCATION WITH NOT MORE THAN 1,500 VIDEO LOTTERY**
29 **TERMINALS ON STATE PROPERTY ASSOCIATED WITH THE ROCKY GAP LODGE**
30 **AND GOLF RESORT IN ALLEGANY COUNTY;**

31 **(4) A LOCATION WITH NOT MORE THAN 3,250 VIDEO LOTTERY**
32 **TERMINALS IN WORCESTER COUNTY, WITHIN 1 MILE OF THE INTERSECTION OF**
33 **ROUTE 50 AND ROUTE 589; OR**

1 (5) A LOCATION WITH NOT MORE THAN 3,500 VIDEO LOTTERY
2 TERMINALS IN BALTIMORE CITY, IN A NONRESIDENTIAL AREA WITHIN
3 ONE-HALF MILE OF INTERSTATE 95 AND MD ROUTE 295, AND NOT ADJACENT
4 TO OR WITHIN ONE-QUARTER MILE OF RESIDENTIAL PROPERTY.

5 (I) (1) THIS SUBSECTION APPLIES NOTWITHSTANDING THE
6 RESTRICTIONS ON THE NUMBER OF VIDEO LOTTERY TERMINALS FOR EACH
7 LOCATION AS SPECIFIED IN §§ 9-1A-05(A)(3) AND 9-1A-36(H) OF THIS
8 SUBTITLE.

9 (2) BEGINNING WITH THE TERMINATION DATE FOR THE VIDEO
10 LOTTERY FACILITY LOCATION COMMISSION AND EVERY 3 YEARS THEREAFTER,
11 IF ALL OF THE VIDEO LOTTERY TERMINALS AUTHORIZED UNDER THIS SUBTITLE
12 ARE NOT ALLOCATED OR HAVE BEEN ALLOCATED BUT ARE NOT IN REGULAR
13 OPERATION, THE STATE LOTTERY COMMISSION MAY ALLOCATE OR
14 REALLOCATE VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION
15 LICENSEES IN A MANNER THAT ENSURES THAT THE HIGHEST POTENTIAL
16 REVENUES ARE ACHIEVED.

17 (3) IN DETERMINING THE HIGHEST POTENTIAL REVENUES TO BE
18 ACHIEVED BY ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH POTENTIAL
19 LOCATION, THE STATE LOTTERY COMMISSION SHALL CONSIDER THE MARKET
20 PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS AT EACH
21 LOCATION.

22 (J) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION
23 LICENSE AT A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION
24 SHALL BE SUBMITTED BY FEBRUARY 1, 2009, AND SHALL INCLUDE AN INITIAL
25 LICENSE FEE IN THE BID OF AT LEAST \$10,000,000.

26 (2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS
27 SUBTITLE SHALL ACCRUE TO THE EDUCATION TRUST FUND ESTABLISHED
28 UNDER § 9-1A-30 OF THIS SUBTITLE.

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

35 (K) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE
36 VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL EVALUATE THE
37 FACTORS UNDER THIS SUBSECTION IN THE MANNER SPECIFIED.

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

4 **(I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST**
5 **PROSPECTIVE TOTAL REVENUES TO BE DERIVED BY THE STATE;**

6 **(II) THE POTENTIAL REVENUES FROM A PROPOSED**
7 **LOCATION BASED ON A MARKET ANALYSIS;**

8 **(III) THE EXTENT TO WHICH THE PROPOSED LOCATION**
9 **ENCOURAGES MARYLAND GAMING PARTICIPANTS TO REMAIN IN THE STATE;**

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

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

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

17 **(VII) THE PERCENT OF OWNERSHIP BY ENTITIES MEETING**
18 **THE DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14,**
19 **SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

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

23 **(I) THE EXTENT TO WHICH THE PROPOSED LOCATION WILL**
24 **PRESERVE EXISTING MARYLAND JOBS AND THE NUMBER OF NET NEW JOBS TO**
25 **BE CREATED;**

26 **(II) THE ANTICIPATED WAGES AND BENEFITS FOR NEW JOBS**
27 **TO BE CREATED; AND**

28 **(III) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED**
29 **IN THE AREA OF THE PROPOSED FACILITY.**

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

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

6 (II) THE NEGATIVE IMPACT, IF ANY, OF A PROPOSED
7 FACILITY LOCATION ON THE SURROUNDING RESIDENTIAL COMMUNITY; AND

8 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE
9 EXPENDITURES AT THE PROPOSED FACILITY.

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

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

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

21 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE
22 LOTTERY COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY
23 LOCATION COMMISSION OF THE DETERMINATION AS TO WHETHER A BIDDER IS
24 QUALIFIED TO HOLD A VIDEO LOTTERY OPERATION LICENSE UNDER THIS
25 SUBTITLE.

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

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

34 (P) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE

1 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL FIVE
2 VIDEO LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

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

9 (Q) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY
10 REISSUE A VIDEO LOTTERY OPERATION LICENSE THAT IS REVOKED OR
11 SURRENDERED UTILIZING THE CRITERIA ESTABLISHED IN THIS SUBTITLE.

12 (R) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
13 SUBSECTION, THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
14 TERMINATE ON JANUARY 1, 2015.

15 (2) THE GOVERNOR MAY RECONSTITUTE THE VIDEO LOTTERY
16 FACILITY LOCATION COMMISSION, WHICH SHALL INCLUDE THE APPOINTMENT
17 OF NEW MEMBERS BASED ON THE CRITERIA ESTABLISHED UNDER SUBSECTIONS
18 (B) AND (C) OF THIS SECTION:

19 (I) ONE YEAR PRIOR TO THE EXPIRATION OF A VIDEO
20 LOTTERY OPERATION LICENSE; OR

21 (II) FOLLOWING THE REVOCATION OR SURRENDER OF A
22 VIDEO LOTTERY OPERATION LICENSE.

23 Article – State Finance and Procurement

24 11–203.

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

27 (1) procurement by:

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

32 (xvii) the Maryland Developmental Disabilities Administration of
33 the Department of Health and Mental Hygiene for family and individual support

1 services, and individual family care services, as those terms are defined by the
2 Department of Health and Mental Hygiene in regulation; AND

3 (XVIII) THE STATE LOTTERY AGENCY FOR NEGOTIATING
4 AND ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE,
5 REPAIR, MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS,
6 EXCEPT THAT THE REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION
7 UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY;

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

10 **Article – State Finance and Procurement**

11 11–203.

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

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

17 **Article – State Finance and Procurement**

18 11–203.

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

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

28 SECTION 5. AND BE IT FURTHER ENACTED, That the intent of this Act and
29 its various integrated provisions is to provide for the authorization and regulation of
30 certain gaming devices for the purpose of generating State revenues and other funds
31 for specified purposes, including funding educational facility construction and
32 renovation and assisting the State’s racing industry. This section is not intended to
33 detract from the application of the severability provision contained in Section 4 of this
34 Act or from the ability of a court of competent jurisdiction to consider and apply
35 appropriate severability principles in the event of a judicial challenge to the validity of
36 a specific portion or portions of the bill.

1 SECTION 6. AND BE IT FURTHER ENACTED, That the agency designated by
2 the Board of Public Works under § 14–303(b) of the State Finance and Procurement
3 Article, in consultation with the General Assembly and the Office of the Attorney
4 General, shall initiate two studies of the requirements of § 9–1A–10 of the State
5 Government Article, as enacted by Section 1 of this Act, that evaluate the continued
6 compliance of the requirement with any federal and constitutional requirements. In
7 preparation for the studies, the State Lottery Commission shall require video lottery
8 operation license applicants and licensees to provide any information necessary to
9 perform the study. The studies shall also evaluate race–neutral programs or other
10 methods that can be used to address the needs of minority investors and minority
11 businesses. A final report of the first study shall be submitted to the Legislative Policy
12 Committee on or before December 15, 2010, so that the General Assembly may review
13 the report prior to the 2011 Session. A final report of the second study shall be
14 submitted to the Legislative Policy Committee on or before September 30, 2013, so
15 that the General Assembly may review the report in conjunction with the report of the
16 study on the Minority Business Enterprise Program prior to the 2014 Session.

17 SECTION 7. AND BE IT FURTHER ENACTED, That this Act may not be
18 construed to affect the terms of the members of the State Lottery Commission
19 appointed before the effective date of this Act. The terms of the four new members of
20 the State Lottery Commission appointed under this Act shall expire as follows:

- 21 (a) one member in 2010;
- 22 (b) one member in 2011; and
- 23 (c) two members in 2012.

24 SECTION 8. AND BE IT FURTHER ENACTED, That:

25 (a) The State Lottery Agency shall conduct a market analysis every 2 years
26 to determine the jurisdiction of residence, demographic characteristics, and annual net
27 customer spending for each of the following gaming products:

- 28 (1) video lottery terminals;
- 29 (2) keno;
- 30 (3) instant scratch–off games;
- 31 (4) daily games;
- 32 (5) multistate lotto type games; and
- 33 (6) any other products that the Agency deems appropriate.

1 (b) The results of this analysis shall be reported to the Governor, the
2 Secretary of Health and Mental Hygiene, and the Legislative Policy Committee of the
3 General Assembly.

4 (c) The Governor shall provide at least \$250,000 in the fiscal year 2010
5 budget to support this analysis, which may take the form of reprogramming existing
6 resources of the State Lottery Agency, and \$125,000 every 2 years thereafter.

7 (d) The initial analysis shall be completed on or before June 30, 2010, and
8 the initial report shall be submitted on or before October 1, 2010.

9 SECTION 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
10 take effect on the taking effect of the termination provision specified in Section 2 of
11 Chapter 402 of the Acts of the General Assembly of 2003. If that termination provision
12 takes effect, Section 3 of this Act shall be abrogated and of no further force and effect.
13 This Act may not be interpreted to have any effect on that termination provision.

14 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall be
15 contingent on the passage of Chapter ___ (S.B. ___/H.B. ___)(8lr 0261) of the Acts of the
16 General Assembly of the Special Session of 2007, a constitutional amendment, and its
17 ratification by the voters of the State.

18 SECTION 11. AND BE IT FURTHER ENACTED, That, subject to the
19 provisions of Sections 9 and 10 of this Act, this Act shall take effect on the
20 proclamation of the Governor that the constitutional amendment, having received a
21 majority of the votes cast at the general election, has been adopted by the people of
22 Maryland.