

HOUSE BILL 41

C7, F1

8lr4556

By: **Delegate Riley**

Introduced and read first time: October 29, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming - Video Lottery Terminals and Slot Machines**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation
4 of certain video lottery terminals; requiring the Governor to appoint a member
5 of the State Racing Commission as a liaison to the State Lottery Commission;
6 altering a certain geographic cost of education index grant that reflects regional
7 differences in the cost of education that are due to factors outside the control of
8 local jurisdictions to be a mandatory education funding requirement; requiring
9 the Department of Health and Mental Hygiene to establish certain regional
10 centers and to conduct a certain prevalence study; requiring the Secretary of
11 Health and Mental Hygiene to make certain grants from certain funds; altering
12 the membership of the State Lottery Commission; specifying certain
13 requirements for members of the State Lottery Commission; requiring the
14 Governor to appoint a member of the State Lottery Commission as a liaison to
15 the State Racing Commission; providing that members of the State Lottery
16 Commission may be compensated as provided in the State budget; authorizing
17 the operation of video lottery terminals connected to a certain central computer
18 that allows the State Lottery Commission to monitor a video lottery terminal
19 and that has certain capabilities; prohibiting access to the central computer by
20 certain licensees with a certain exception; providing that only a person with a
21 certain video lottery operation license may offer a video lottery terminal for
22 public use in the State; providing that this Act is statewide and exclusive in
23 effect and that certain laws do not apply to video lottery terminals authorized
24 under this Act; requiring the State Lottery Commission to conduct certain
25 investigations and hearings; requiring the State Lottery Commission to adopt
26 certain regulations; requiring the State Lottery Commission to require a certain
27 bond and collect certain fees, civil penalties, and taxes; authorizing the State
28 Lottery Commission to inspect and seize certain equipment, financial
29 information, and records without notice or warrant; requiring certain video
30 lottery terminal manufacturers, video lottery operators, video lottery employees,
31 and other individuals required by the State Lottery Commission to be licensed;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 providing for the application and licensing process; providing for review of a
2 denial of an application for a certain license by the State Board of Contract
3 Appeals; establishing the misdemeanor of giving false information in an
4 application for a license under this Act or in any supplemental information
5 required by the State Lottery Commission; establishing certain penalties;
6 establishing certain eligibility criteria and disqualifying criteria for a video
7 lottery operation license; requiring a person that contracts with a video lottery
8 operation licensee to meet certain requirements under certain circumstances;
9 requiring certain video lottery operation licensees to maintain certain numbers
10 of live racing days; providing that the license of certain video lottery operation
11 licensees may be revoked if a certain horse racing event or trade names and
12 other items related to the event are transferred out of the State; requiring a
13 certain licensee to permit a certain annual race to be conducted with certain
14 exceptions; requiring certain video lottery operation licensees to submit to the
15 State Lottery Commission certain plans to improve the quality and marketing
16 of horse racing and to spend a certain amount on capital renovation of horse
17 racing facilities each year; requiring the State Racing Commission to monitor
18 the compliance of certain video lottery operation licensees and certain other
19 licensees with certain plans; requiring certain applicants and video lottery
20 operation licensees to comply with certain provisions of law relating to minority
21 business participation; specifying that certain collective bargaining agreements
22 do not negate certain provisions of this Act; requiring a video lottery operation
23 licensee to provide certain health insurance to its employees; authorizing
24 certain applicants for employment to appeal to certain local human relations
25 boards under certain circumstances; providing for the monitoring of certain
26 provisions of this Act by the Governor's Office of Minority Affairs; requiring that
27 a video lottery operation license not issued for locations specified under this Act
28 reverts to the State; requiring a licensee to commence operation of video lottery
29 terminals within a certain time period and authorizing the State Lottery
30 Commission to grant extensions under certain circumstances; providing for the
31 term of a video lottery operation license and for reapplication for the license at
32 the end of the term; providing for certain eligibility criteria and disqualifying
33 criteria for certain licenses; providing for certain waivers of certain licensing
34 requirements under certain circumstances; providing for certain license terms
35 and renewals; stating the intent of the General Assembly relating to video
36 lottery operation licenses; prohibiting a video lottery operation license from
37 being transferred or pledged as collateral; prohibiting certain video lottery
38 operation licensees from selling or otherwise transferring more than a certain
39 percentage of the legal or beneficial interest unless certain conditions are met;
40 requiring that the transfer of a certain interest in a person that holds a video
41 lottery operation license be approved by the State Lottery Commission;
42 requiring the Department of State Police to conduct certain background
43 investigations in a certain manner; requiring the State Lottery Commission to
44 buy or lease the video lottery terminals, associated equipment, and central
45 computer authorized under this Act; prohibiting more than a certain number of
46 video lottery terminals from being allocated in one county or to licenses held by
47 the same entity; prohibiting an individual or business entity from holding an
48 interest in more than a certain number of video lottery operation licenses under

1 certain circumstances; providing the minimum payout percentage for video
2 lottery terminals and authorizing the State Lottery Commission to adopt
3 certain video lottery terminal payout percentages; providing for the hours of
4 operation of video lottery terminals; prohibiting certain games offered by the
5 State Lottery Commission from being offered for sale in a video lottery facility;
6 prohibiting the State Lottery Commission from issuing certain licenses under
7 certain circumstances; prohibiting a video lottery operation licensee from
8 offering food or beverages at no cost with a certain exception or from offering
9 food and beverages below certain prices; requiring a video lottery operation
10 licensee to ensure that certain individuals are not permitted to play video
11 lottery terminals and are not permitted in certain areas; requiring the State
12 Lottery Commission to adopt certain regulations to reduce or mitigate the
13 effects of problem gambling; authorizing the State Lottery Commission to
14 reprimand a licensee or deny, suspend, or revoke certain licenses under certain
15 circumstances; requiring the Comptroller to collect and distribute certain money
16 in specified ways; establishing a Purse Dedication Account under the authority
17 of the State Racing Commission; providing for a certain distribution from video
18 lottery proceeds to the Purse Dedication Account for horse racing; providing for
19 certain distributions from the Purse Dedication Account for horse racing in a
20 certain manner; establishing the Education Trust Fund; requiring certain
21 distributions from video lottery proceeds to the Education Trust Fund to be used
22 for certain purposes; requiring the Governor to provide certain funding for
23 public school construction from the Education Trust Fund for certain fiscal
24 years; providing for the creation of certain local development councils; providing
25 for appointment and membership of certain local development councils;
26 requiring certain counties to develop certain plans to be reviewed by certain
27 local development councils; specifying that a certain percentage of certain local
28 development grants should be used for certain purposes; authorizing the State
29 to pay certain transportation costs; requiring the Department of Transportation
30 to facilitate certain negotiations; requiring a certain transportation plan to be
31 developed by certain counties; making provisions that authorize eligible
32 organizations to own or operate slot machines applicable statewide; authorizing
33 certain fees and providing for a certain distribution from certain fees to the
34 Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the
35 Department of Health and Mental Hygiene; providing for certain disbursements
36 from the Compulsive Gambling Fund for certain purposes; requiring the State
37 Lottery Commission to make a certain annual report by a certain date;
38 prohibiting a licensee for a certain period of time from employing, or entering
39 into a financial relationship with, an individual who was a member of the State
40 Lottery Commission or the Video Lottery Facility Location Commission;
41 exempting certain procurements by the State Lottery Agency from certain
42 requirements; establishing a Video Lottery Facility Location Commission;
43 establishing the membership of the Video Lottery Facility Location
44 Commission; requiring the approval of the Legislative Policy Committee for
45 certain appointments to the Video Lottery Facility Location Commission;
46 establishing certain eligibility requirements for membership on the Video
47 Lottery Facility Location Commission; providing for certain reimbursements
48 and staffing; requiring the Department of Budget and Management to contract

1 with a certain consultant; requiring the Video Lottery Facility Location
2 Commission to establish a certain application fee; prohibiting the Video Lottery
3 Facility Location Commission from awarding more than a certain number of
4 video lottery operation licenses; requiring certain bids for video lottery
5 operation licenses to include certain information and to meet certain
6 requirements; prohibiting the Video Lottery Facility Location Commission from
7 issuing more than two licenses in one county or more than a certain number of
8 video lottery terminals in one county; requiring the Video Lottery Facility
9 Location Commission to consider certain factors; requiring certain initial video
10 lottery operation license fees to be placed in the Education Trust Fund;
11 requiring the State Lottery Commission to make certain determinations and be
12 responsible for certain matters relating to racetrack locations and nonracetrack
13 destination locations; providing for review of a denial of an application for a
14 certain license by the State Board of Contract Appeals; providing for certain
15 appeals to be made directly to the Court of Appeals of Maryland; allowing the
16 operation of video lottery terminals in a temporary facility under certain
17 circumstances; providing for the construction of certain provisions of this Act;
18 making the provisions of this Act severable; requiring a certain certification
19 entity to conduct certain studies and make certain reports; requiring the
20 Department of Transportation to conduct a certain study and make a certain
21 report by a certain date; providing for the payment of the cost of the study
22 conducted by the Department of Transportation; providing that the costs of
23 certain improvements and the planning, design, and construction of a certain
24 interchange are the sole responsibility of the holder of a certain license and may
25 not be paid from State funds; providing for the staggering of the terms of certain
26 new members of the State Lottery Commission; making certain stylistic
27 changes; providing for the termination of certain provisions of this Act;
28 providing that certain provisions of this Act are contingent on the termination
29 of another Act; defining certain terms; and generally relating to the operation of
30 video lottery terminals at certain locations in the State.

31 BY adding to
32 Article – Business Regulation
33 Section 11–202(g)
34 Annotated Code of Maryland
35 (2004 Replacement Volume and 2007 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article – Criminal Law
38 Section 12–304
39 Annotated Code of Maryland
40 (2002 Volume and 2007 Supplement)

41 BY repealing and reenacting, with amendments,
42 Article – Education
43 Section 5–202(f)
44 Annotated Code of Maryland
45 (2006 Replacement Volume and 2007 Supplement)

- 1 BY repealing and reenacting, without amendments,
2 Article – Health – General
3 Section 19–801 and 19–802
4 Annotated Code of Maryland
5 (2005 Replacement Volume and 2007 Supplement)
- 6 BY repealing and reenacting, with amendments,
7 Article – Health – General
8 Section 19–803 and 19–804
9 Annotated Code of Maryland
10 (2005 Replacement Volume and 2007 Supplement)
- 11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 9–105 and 9–108(d)
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2007 Supplement)
- 16 BY adding to
17 Article – State Government
18 Section 9–1A–01 through 9–1A–35 to be under the new subtitle “Subtitle 1A.
19 Video Lottery Terminals”
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2007 Supplement)
- 22 BY repealing and reenacting, with amendments,
23 Article – State Finance and Procurement
24 Section 11–203(a)(1)(xvi) and (xvii)
25 Annotated Code of Maryland
26 (2006 Replacement Volume and 2007 Supplement)
- 27 BY adding to
28 Article – State Finance and Procurement
29 Section 11–203(a)(1)(xviii)
30 Annotated Code of Maryland
31 (2006 Replacement Volume and 2007 Supplement)
- 32 BY repealing and reenacting, without amendments,
33 Article – State Finance and Procurement
34 Section 11–203(b)(1) and (2)
35 Annotated Code of Maryland
36 (2006 Replacement Volume and 2007 Supplement)
- 37 BY repealing and reenacting, with amendments,
38 Article – State Finance and Procurement
39 Section 11–203(b)(3)
40 Annotated Code of Maryland

1 (2006 Replacement Volume and 2007 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article – State Finance and Procurement
 4 Section 11–203(b)(2)
 5 Annotated Code of Maryland
 6 (2006 Replacement Volume and 2007 Supplement)
 7 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

10 **Article – Business Regulation**

11 11–202.

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

15 **Article – Criminal Law**

16 12–304.

17 (a) In this section, “eligible organization” means:

18 (1) a nonprofit organization that:

19 (i) has been located in [a county listed in subsection (b) of this
 20 section] **THE STATE** for at least 5 years before the organization applies for a license
 21 under subsection [(e)] **(D)** of this section; and

22 (ii) is a bona fide:

- 23 1. fraternal organization;
- 24 2. religious organization; or
- 25 3. war veterans’ organization; or

26 (2) a nonprofit organization that has been affiliated with a national
 27 fraternal organization for less than 5 years and has been located in [a county listed in
 28 subsection (b) of this section] **THE STATE** for at least 50 years before the nonprofit
 29 organization applies for a license under subsection [(e)] **(D)** of this section.

30 (b) [This section applies in:

- 1 (1) Caroline County;
- 2 (2) Cecil County;
- 3 (3) Dorchester County;
- 4 (4) Kent County;
- 5 (5) Queen Anne's County;
- 6 (6) Somerset County;
- 7 (7) Talbot County; and
- 8 (8) Wicomico County.

9 (c) (1) In this subsection, a console or set of affixed slot machines is not
10 an individual slot machine.

11 (2) Notwithstanding any other provision of this subtitle, an eligible
12 organization may own and operate a slot machine if the eligible organization:

13 (i) obtains a license under subsection [(e)] (D) of this section
14 for each slot machine;

15 (ii) owns each slot machine that the eligible organization
16 operates;

17 (iii) owns not more than five slot machines;

18 (iv) locates and operates its slot machines at its principal
19 meeting hall in the county in which the eligible organization is located;

20 (v) does not locate or operate its slot machines in a private
21 commercial facility;

22 (vi) uses:

23 1. at least one-half of the proceeds from its slot
24 machines for the benefit of a charity; and

25 2. the remainder of the proceeds from its slot machines
26 to further the purposes of the eligible organization;

27 (vii) does not use any of the proceeds of the slot machine for the
28 financial benefit of an individual; and

1 (viii) reports annually under affidavit to the State Comptroller:

2 1. the income of each slot machine; and

3 2. the disposition of the income from each slot machine.

4 [(d)] (C) An eligible organization may not use or operate a slot machine
5 unless:

6 (1) the slot machine is equipped with a tamperproof meter or counter
7 that accurately records gross receipts; and

8 (2) the eligible organization keeps an accurate record of the gross
9 receipts and payoffs of the slot machine.

10 [(e)] (D) (1) Before an eligible organization may operate a slot machine
11 under this section, the eligible organization shall obtain a license for the slot machine
12 from the sheriff of the county in which the eligible organization plans to locate the slot
13 machine.

14 (2) (i) The county shall:

15 1. charge an annual fee of \$50 for each license for a
16 machine; and

17 2. issue a license sticker to the applicant.

18 (ii) The applicant shall place the sticker on the slot machine.

19 (iii) The proceeds of the annual fee shall be transferred to the
20 general fund of the county.

21 (3) In the application to the sheriff for a license, one of the principal
22 officers of the eligible organization shall certify under affidavit that the organization:

23 (i) is an eligible organization; and

24 (ii) will comply with this section.

25 [(f)] (E) (1) A principal officer of the eligible organization may not
26 intentionally misrepresent a statement of fact on the application.

27 (2) A person who violates this subsection is guilty of perjury and on
28 conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.

1 5-202.

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

- 4 (i) 0.000 in Allegany;
- 5 (ii) 0.018 in Anne Arundel;
- 6 (iii) 0.042 in Baltimore City;
- 7 (iv) 0.008 in Baltimore;
- 8 (v) 0.021 in Calvert;
- 9 (vi) 0.000 in Caroline;
- 10 (vii) 0.014 in Carroll;
- 11 (viii) 0.000 in Cecil;
- 12 (ix) 0.020 in Charles;
- 13 (x) 0.000 in Dorchester;
- 14 (xi) 0.024 in Frederick;
- 15 (xii) 0.000 in Garrett;
- 16 (xiii) 0.000 in Harford;
- 17 (xiv) 0.015 in Howard;
- 18 (xv) 0.010 in Kent;
- 19 (xvi) 0.034 in Montgomery;
- 20 (xvii) 0.048 in Prince George's;
- 21 (xviii) 0.011 in Queen Anne's;
- 22 (xix) 0.002 in St. Mary's;
- 23 (xx) 0.000 in Somerset;
- 24 (xxi) 0.000 in Talbot;
- 25 (xxii) 0.000 in Washington;

1 (xxiii) 0.000 in Wicomico; and

2 (xxiv) 0.000 in Worcester.

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

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

11 (i) 0.50 in fiscal year [2006] **2010**;

12 (ii) [0.62] **0.75** in fiscal year [2007] **2011**; **AND**

13 [(iii) 0.74 in fiscal year 2008;

14 (iv) 0.86 in fiscal year 2009; and

15 (v)] **(III)** 1.00 in fiscal year [2010] **2012** and each fiscal year
16 thereafter.

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

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

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

25 **Article - Health - General**

26 19-801.

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

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

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

3 19-802.

4 The General Assembly finds that:

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

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

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

10 19-803.

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

14 19-804.

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

22 (i) Inpatient services[.];

23 (ii) Outpatient services[.];

24 (iii) Partial care services[.];

25 (iv) Aftercare services[.];

26 (v) Consultative services[.];

27 (vi) Educational services[.];

28 (vii) **SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND**

29 **(VIII)** Other preventive or rehabilitative services or treatment.

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

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

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

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

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

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

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

20 **Article – State Government**

21 9–105.

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

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

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

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

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

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

4 (2) A MEMBER OF THE COMMISSION MAY NOT:

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

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

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

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

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

16 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

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

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

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

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

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

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

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

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

8 9–108.

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

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

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

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

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

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

19 **9–1A–01.**

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

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

24 (C) **“ASSOCIATED EQUIPMENT” MEANS HARDWARE LOCATED ON A**
25 **LICENSEE’S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM**
26 **FOR THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER**
27 **FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A**
28 **REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.**

29 (D) **“AVERAGE ANNUAL PAYOUT PERCENTAGE” MEANS THE AVERAGE**
30 **ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY**

1 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY
2 TERMINAL.

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

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

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

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

16 (1) INFORMATION RETRIEVAL;

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

19 (3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY
20 TERMINALS.

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

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

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

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

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

1 PURCHASING THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
2 CENTRAL COMPUTER;

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

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

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

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

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

16 (O) "MANUFACTURER" MEANS A PERSON:

17 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING,
18 BUILDING, CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING
19 A CENTRAL COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO
20 LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER
21 COMPONENTS OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER
22 GENERATOR OF VIDEO LOTTERY TERMINALS, OR THE CABINET IN WHICH A
23 VIDEO LOTTERY TERMINAL IS HOUSED;

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

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

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

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

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

9 (T) **“PROGRESSIVE JACKPOT” MEANS A PRIZE THAT INCREASES AS ONE**
10 **OR MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE**
11 **JACKPOT SYSTEM.**

12 (U) **“PROGRESSIVE JACKPOT SYSTEM” MEANS THE CAPABILITY OF THE**
13 **CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN**
14 **ONE OR MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE**
15 **PROGRESSIVE JACKPOTS.**

16 (V) (1) **“RACETRACK LOCATION” MEANS A LOCATION AT A**
17 **RACETRACK THAT HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO**
18 **HOLD A RACE MEETING THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO**
19 **LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.**

20 (2) **“RACETRACK LOCATION” INCLUDES A LOCATION AT A**
21 **RACETRACK THAT HOLDS A SPECIAL THOROUGHBRED RACING LICENSE FROM**
22 **THE STATE RACING COMMISSION THAT IS ELIGIBLE FOR OR HAS BEEN**
23 **AWARDED A VIDEO LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED**
24 **BY LAW.**

25 (W) **“VIDEO LOTTERY” MEANS GAMING OR BETTING THAT IS**
26 **CONDUCTED USING A VIDEO LOTTERY TERMINAL.**

27 (X) **“VIDEO LOTTERY EMPLOYEE” MEANS AN EMPLOYEE OF A PERSON**
28 **THAT HOLDS A LICENSE.**

29 (Y) **“VIDEO LOTTERY FACILITY” MEANS A FACILITY WHERE PLAYERS**
30 **PLAY VIDEO LOTTERY TERMINALS AS AUTHORIZED UNDER THIS SUBTITLE.**

31 (Z) **“VIDEO LOTTERY OPERATION LICENSE” MEANS A LICENSE ISSUED**
32 **TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.**

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

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

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

13 (2) **“VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR**
14 **DEVICE:**

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

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

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

23 **9-1A-02.**

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

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

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

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

1 **(3) THE CENTRAL COMPUTER MUST BE CAPABLE OF:**

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

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

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

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

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

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

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

27 **9-1A-03.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 **(I) CERTIFYING REVENUE FROM THE VIDEO LOTTERY**
29 **TERMINALS;**

30 **(II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND**

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

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

7 (B) THE COMMISSION MAY:

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

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

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

16 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

30 (3) ESTABLISHING THE PROCEDURES FOR:

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

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

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

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

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

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

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

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

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

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

31 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE
32 FORM OF THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A
33 CERTIFIED PUBLIC ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE,
34 DISCLOSING WHETHER THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES

1 EXAMINED ARE MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS
2 REQUIRED BY THIS SUBTITLE;

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

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

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

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

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

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

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

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

23 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH:

24 1. VIDEO LOTTERY OPERATIONS UNDER THIS
25 SUBTITLE ARE CONDUCTED;

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

30 3. RECORDS OF THOSE ACTIVITIES ARE PREPARED
31 OR MAINTAINED;

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

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

8 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
9 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS,
10 INCLUDING THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY
11 CORPORATION, OR SIMILAR BUSINESS ENTITY; AND

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

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

15 2. A COUNTING ROOM OR ITS EQUIPMENT; OR

16 3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO
17 LOTTERY OPERATIONS.

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

21 **9-1A-05.**

22 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
23 ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE MAY NOT ISSUE MORE THAN
24 SEVEN VIDEO LOTTERY OPERATION LICENSES.

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

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

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

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

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

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

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

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

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

22 (1) A VIDEO LOTTERY OPERATION LICENSEE;

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 9-1A-07.

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

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

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

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

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

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

24 (C) (1) A PERSON WHO IS AN APPLICANT OR LICENSEE SHALL HAVE
25 THE AFFIRMATIVE RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING
26 EVIDENCE THE PERSON'S QUALIFICATIONS.

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

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

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

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

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

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

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

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

19 **(6) (I) A PERSON WHO IS AN APPLICANT OR LICENSEE SHALL**
20 **HAVE A DUTY TO INFORM THE COMMISSION OF AN ACT OR OMISSION THAT THE**
21 **PERSON KNOWS OR SHOULD KNOW CONSTITUTES A VIOLATION OF THIS**
22 **SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.**

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

27 **(7) EACH APPLICANT AND LICENSEE SHALL PRODUCE**
28 **INFORMATION, DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE**
29 **FOLLOWING QUALIFICATIONS BY CLEAR AND CONVINCING EVIDENCE:**

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

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

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

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

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

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

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

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

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

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

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

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

8 **9-1A-08.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 **9-1A-09.**

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

18 **(B) A RACETRACK LOCATION SHALL MAINTAIN, AS A CONDITION OF**
19 **LICENSURE, AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS WERE**
20 **AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN 2005**
21 **UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER**
22 **CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.**

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

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

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

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

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

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

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

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

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

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

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

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

29 **2. AN ONGOING INVESTMENT IN CAPITAL**
30 **MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT**
31 **LEAST \$1,000,000 ANNUALLY FOR EACH 1,000 VIDEO LOTTERY TERMINALS**
32 **AUTHORIZED FOR THE LICENSEE'S LOCATION.**

33 **(3) (I) HOLDERS OF A LICENSE ISSUED BY THE STATE RACING**
34 **COMMISSION THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE**

1 SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND
2 MARKETING OF THE HORSE RACING INDUSTRY IN THE STATE.

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

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

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

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

24 **9-1A-10.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **9-1A-12.**

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

30 **9-1A-13.**

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

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

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

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

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

17 **9-1A-14.**

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

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

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

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

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

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

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

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

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

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

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

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

29 **9-1A-15.**

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

1 **(B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR**
2 **CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY**
3 **PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER,**
4 **SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN**
5 **§§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION**
6 **LICENSEES.**

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

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

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

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

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

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

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

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

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

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

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

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

12 **9-1A-17.**

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

16 (1) PROPER APPLICATION FOR RENEWAL; AND

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

19 **9-1A-18.**

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

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

33 (1) PRECLUDE:

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

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

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

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

10 **9-1A-19.**

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

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

13 (2) PLEDGED AS COLLATERAL.

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

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

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

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

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

27 (A) THE DEPARTMENT OF STATE POLICE SHALL:

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

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

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

6 **(2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS**
7 **GROUND FOR THE COMMISSION TO DENY AN APPLICATION.**

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

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

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

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

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

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

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

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

4 **9-1A-21.**

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

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

8 (2) UNDER THE CONTROL OF THE COMMISSION.

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

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

21 **9-1A-22.**

22 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
23 ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE MAY AWARD UP TO 15,500
24 VIDEO LOTTERY TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN
25 THE STATE.

26 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
27 AWARD THE NUMBER OF VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY
28 OPERATION LICENSEES AS PROVIDED IN THIS SECTION AND § 9-1A-35 OF THIS
29 SUBTITLE.

30 (C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO
31 LOTTERY TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION
32 LOCATIONS AND EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY
33 TERMINALS AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE
34 BEEN ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY

1 COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO
2 VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE
3 HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

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

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

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

16 (1) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR
17 OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

18 (2) 6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR
19 OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD
20 BY THE SAME INDIVIDUAL OR BUSINESS ENTITY.

21 **9-1A-23.**

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

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

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

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

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

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

7 **9-1A-24.**

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

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

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

21 (3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD
22 AT NO COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE
23 2B, § 12-106 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER
24 OF SPIRITUOUS, MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER
25 STATE LAW.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 **9-1A-25.**

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

32 (1) THIS SUBTITLE;

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

2 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

10 (I) THE SERIOUSNESS OF THE VIOLATION;

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

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

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

19 **9-1A-26.**

20 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY
21 TERMINALS SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE
22 LOTTERY FUND ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE AND
23 DISTRIBUTED AS PROVIDED IN THIS SUBTITLE.

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

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

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

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

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

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

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

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

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

20 (I) 73% TO ANNE ARUNDEL COUNTY;

21 (II) 17% TO HOWARD COUNTY; AND

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

23 (3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL
24 OPERATION, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
25 COMMISSION, 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED
26 UNDER § 9-1A-28 OF THIS SUBTITLE; AND

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

1 (4) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
2 COMMISSION, THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED
3 UNDER § 9-1A-29 OF THIS SUBTITLE.

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

10 (1) THE EDUCATION TRUST FUND ESTABLISHED UNDER
11 § 9-1A-29 OF THIS SUBTITLE; AND

12 (2) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER
13 § 9-1A-28 OF THIS SUBTITLE.

14 **9-1A-28.**

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

17 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER
18 § 9-1A-27 OF THIS SUBTITLE.

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

22 (3) THE COMPTROLLER SHALL:

23 (I) ACCOUNT FOR THE ACCOUNT; AND

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

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

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

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

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

9 (1) **89% TO THOROUGHBRED PURSES AT THE PIMLICO RACE**
10 **COURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE**
11 **RACECOURSE IN TIMONIUM; AND**

12 (2) **11% TO THE MARYLAND-BRED RACE FUND.**

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

15 (1) **89% TO STANDARD BRED PURSES AT THE ROSECROFT**
16 **RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY**
17 **COUNTY; AND**

18 (2) **11% TO THE STANDARD BRED RACE FUND.**

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

22 (G) (1) **AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000**
23 **FROM THE FUNDS UNDER SUBSECTION (D)(1) OF THIS SECTION SHALL GO TO**
24 **THE MARYLAND HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER**
25 **§ 11-909 OF THE BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE**
26 **FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO THE**
27 **MARYLAND STANDARD BRED HORSEMEN'S ASSISTANCE FUND, INC.,**
28 **ESTABLISHED UNDER § 11-909 OF THE BUSINESS REGULATION ARTICLE.**

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

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

4 **(I) NEED;**

5 **(II) DOCUMENTED STATE RESIDENCY; AND**

6 **(III) NUMBER OF RACES RIDDEN OR DRIVEN PER YEAR ON**
7 **STATE RACETRACKS.**

8 **9-1A-29.**

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

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

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

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

19 **(1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN**
20 **ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE**
21 **STATE IN PREKINDERGARTEN THROUGH GRADE 12, THROUGH CONTINUATION**
22 **OF THE FUNDING AND FORMULAS ESTABLISHED UNDER THE PROGRAMS**
23 **COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS,**
24 **FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF**
25 **2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF**
26 **EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE;**

27 **(2) PROVIDE FUNDS TO CONSTRUCT K-16 PUBLIC SCHOOL**
28 **BUILDINGS AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE**
29 **WITH §§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE AND FOR PUBLIC**
30 **INSTITUTIONS OF HIGHER EDUCATION THAT INCLUDE 4-YEAR INSTITUTIONS**
31 **AND COMMUNITY COLLEGES; AND**

32 **(3) PROVIDE FUNDS TO INCREASE STATE UNDERGRADUATE**
33 **STUDENT FINANCIAL AID.**

1 (D) **THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR**
2 **2010 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2020,**
3 **\$150,000,000 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF K-16**
4 **PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A**
5 **PAY-AS-YOU-GO BASIS.**

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

8 **9-1A-30.**

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

13 (1) **INFRASTRUCTURE IMPROVEMENTS;**

14 (2) **FACILITIES;**

15 (3) **PUBLIC SAFETY;**

16 (4) **SANITATION;**

17 (5) **ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING**
18 **HOUSING; AND**

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

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

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

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

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

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

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

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

9 **(c) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT**
10 **GRANT FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY**
11 **SHALL DEVELOP A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL**
12 **DEVELOPMENT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT**
13 **WITH SUBSECTION (A) OF THIS SECTION.**

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

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

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

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

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

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

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

4 (E) (1) IN THIS SUBSECTION, “ELIGIBLE CERTIFIED COMMUNITY
5 DEVELOPMENT FINANCIAL INSTITUTION” MEANS A FINANCIAL INSTITUTION
6 CERTIFIED BY THE UNITED STATES DEPARTMENT OF THE TREASURY AS A
7 CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT HAS:

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

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

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

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

26 **9-1A-31.**

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

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

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

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

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

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

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

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

13 **9-1A-32.**

14 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

4 **2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING**
5 **PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER**
6 **TITLE 19, SUBTITLE 8 OF THE HEALTH – GENERAL ARTICLE; AND**

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

11 **9-1A-33.**

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

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

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

19 **9-1A-34.**

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

26 **Article – State Finance and Procurement**

27 11-203.

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

30 **(1) procurement by:**

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

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

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

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

14 (i) § 11–205 of this subtitle (“Fraud in procurement”);

15 (ii) § 12–204 of this article (“Board approval for designated
16 contracts”);

17 (iii) Title 12, Subtitle 2 of this article (“Supervision of Capital
18 Expenditures and Real Property Leases”);

19 (iv) § 13–219 of this article (“Required clauses –
20 Nondiscrimination clause”);

21 (v) § 13–221 of this article (“Disclosures to Secretary of State”);

22 (vi) Title 12, Subtitle 4 of this article (“Policies and Procedures
23 for Exempt Units”);

24 (vii) Title 16 of this article (“Debarment of Contractors”); and

25 (viii) Title 17 of this article (“Special Provisions – State and Local
26 Subdivisions”).

27 (2) Except for procurement under subsection (a)(1)(i) and (xi) and (2)(i)
28 and (vi) of this section, the provisions of Title 14, Subtitle 3 of this article (“Minority
29 Business Participation”) shall apply to each procurement enumerated in subsection (a)
30 of this section.

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

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

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

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

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

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

10 (II) **TWO OF THE MEMBERS SHALL BE APPOINTED BY THE**
11 **SPEAKER OF THE HOUSE OF DELEGATES.**

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

14 (3) **THE MEMBERSHIP OF THE VIDEO LOTTERY FACILITY**
15 **LOCATION COMMISSION SHOULD REFLECT THE RACE, GENDER, AND**
16 **GEOGRAPHIC DIVERSITY OF THE POPULATION OF THE STATE.**

17 (4) **THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION**
18 **COMMISSION SHALL CHOOSE A CHAIR FROM AMONG ITS MEMBERS.**

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

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

22 (2) **SHALL BE A RESIDENT OF THE STATE;**

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (2) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL
33 CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS
34 OF SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE

1 GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY
2 LOCATION COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED
3 UNDER THIS SECTION.

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

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

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

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

18 (II) A NONRACETRACK DESTINATION LOCATION UNDER
19 THIS SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE
20 STATE EXISTING ON JULY 1, 2005.

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

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

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

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

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

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

2 **(II) SHALL INCLUDE THE INFORMATION NECESSARY FOR**
3 **APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE AS REQUIRED UNDER**
4 **THIS SUBTITLE;**

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

9 **(IV) SHALL INCLUDE PROOF THAT FUNDS ARE AVAILABLE TO**
10 **PAY THE INITIAL LICENSE FEE ESTABLISHED UNDER SUBSECTION (J) OF THIS**
11 **SECTION IF A VIDEO LOTTERY OPERATION LICENSE IS AWARDED; AND**

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

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

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

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

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

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

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

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

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

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

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

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

14 (VIII) THE PERCENTAGE OF OWNERSHIP BY ENTITIES
15 MEETING THE DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE
16 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (N) (1) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY
34 OPERATION LICENSE UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE
35 STATE FINANCE AND PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD

1 OF CONTRACT APPEALS OF THE AWARDING OF THE VIDEO LOTTERY
2 OPERATION LICENSE BY THE VIDEO LOTTERY FACILITY LOCATION
3 COMMISSION.

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

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

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

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

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

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

30 **Article - State Finance and Procurement**

31 11-203.

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

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

3 **Article – State Finance and Procurement**

4 11–203.

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

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

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

22 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by
23 the Board of Public Works under § 14–303(b) of the State Finance and Procurement
24 Article of the Annotated Code of Maryland, in consultation with the General Assembly
25 and the Office of the Attorney General, shall initiate two studies of the requirements
26 of § 9–1A–10 of the State Government Article, as enacted by Section 1 of this Act, that
27 evaluate the continued compliance of the requirement with any federal and
28 constitutional requirements. In preparation for the studies, the State Lottery
29 Commission shall require video lottery operation license applicants and licensees to
30 provide any information necessary to perform the study. The studies shall also
31 evaluate race–neutral programs or other methods that can be used to address the
32 needs of minority investors and minority businesses. A final report of the first study
33 shall be submitted to the Legislative Policy Committee on or before December 1, 2009,
34 so that the General Assembly may review the report prior to the 2010 Session. A final
35 report of the second study shall be submitted to the Legislative Policy Committee on or
36 before September 30, 2011, so that the General Assembly may review the report in
37 conjunction with the report of the study on the Minority Business Enterprise Program
38 prior to the 2012 Session.

39 SECTION 8. AND BE IT FURTHER ENACTED, That, if a license is issued for
40 a location at the Pimlico Race Course, the Department of Transportation shall study
41 the impact of the increased traffic resulting from any proposed operation of video

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

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

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

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

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

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

