

SENATE BILL 962

C7

8lr3114

By: **Senators Brinkley and Kittleman**

Introduced and read first time: February 28, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education - Bridge to Excellence - Video Lottery Terminals**

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 circumstances; specifying limits on the number of video lottery terminals
2 allowed in the State; requiring certain video lottery terminal manufacturers,
3 video lottery operators, video lottery employees, and other individuals required
4 by the State Lottery Commission to be licensed; providing for the application
5 and licensing process; establishing certain eligibility criteria and disqualifying
6 criteria for a video lottery operation license; requiring certain licensees to
7 maintain certain numbers of live racing days; providing that certain licensees
8 are ineligible for certain funding and are subject to certain requirements and
9 sanctions if a certain horse racing event or trade names and other items related
10 to the event are transferred out of the State; requiring certain licensees to
11 conduct certain annual races with certain exceptions; requiring a certain
12 licensee to maintain a certain center or convey certain property to a certain
13 program under certain circumstances; requiring certain licensees to submit to
14 the State Racing Commission a certain plan to improve the quality and
15 marketing of horse racing; requiring certain applicants and licensees to comply
16 with certain provisions of law relating to minority business participation;
17 specifying that certain collective bargaining agreements do not negate certain
18 provisions of this Act; requiring certain licensees to provide certain benefits and
19 give certain preferences to certain employees; providing for the monitoring of
20 certain provisions of this Act by the Governor's Office of Minority Affairs;
21 providing that the State Lottery Commission may reissue a video lottery
22 operation license under certain circumstances; providing for certain eligibility
23 criteria and disqualifying criteria for certain licenses; providing for certain
24 waivers of certain licensing and bonding requirements under certain
25 circumstances; providing for certain license terms; stating the intent of the
26 General Assembly relating to video lottery operation licenses; prohibiting a
27 video lottery operation license from being transferred or pledged as collateral;
28 prohibiting certain licensees from selling or otherwise transferring more than a
29 certain percentage of the legal or beneficial interest unless certain conditions
30 are met; requiring that the transfer of a certain interest in a person that holds a
31 video lottery operation license be approved by the State Lottery Commission;
32 requiring the Department of State Police or certain approved vendors to conduct
33 certain background investigations; providing that certain information obtained
34 as a result of a certain background check is confidential and may be used only
35 for a certain purpose; requiring the State Lottery Commission to buy or lease
36 the video lottery terminals, central monitor, and certain other equipment;
37 requiring the State Lottery Commission to develop a certain process; allowing a
38 certain number of video lottery destination locations to be eligible for a video
39 lottery operation license under certain circumstances; establishing a Video
40 Lottery Facility Location Commission providing for membership,
41 reimbursements, and staffing; allowing the Video Lottery Facility Location
42 Commission to approve not more than a certain number of video lottery
43 cooperation licenses; authorizing the Department of Transportation to pay for
44 and undertake certain improvements and enhancements to certain highways in
45 Worcester County; requiring the Video Lottery Facility Location Commission to
46 consider certain factors; providing for the termination of the Video Lottery
47 Facility Location Commission; providing for the reinstatement of the Video
48 Lottery Facility Location Commission under certain circumstances; providing

1 for the minimum payout and hours of operation of video lottery terminals;
2 prohibiting the State Lottery Commission from issuing certain licenses under
3 certain circumstances; prohibiting a video lottery operation licensee from
4 offering food or alcoholic beverages at no cost, with a certain exception, or below
5 certain prices; requiring the State Lottery Commission to adopt certain
6 regulations; authorizing the State Lottery Commission to take certain action
7 against licensees or applicants for licenses and impose certain penalties under
8 certain circumstances; requiring the Comptroller to collect and distribute
9 certain money in specified ways; requiring certain distributions from video
10 lottery proceeds for certain purposes; establishing the Education Trust Fund
11 and a Purse Dedication Account; requiring certain distributions from video
12 lottery proceeds to the Education Trust Fund to be used for a certain purposes;
13 providing for certain distributions from video lottery proceeds to the Purse
14 Dedication Account; providing for distributions from the Purse Dedication
15 Account for horse racing in a certain manner; requiring the State Racing
16 Commission to conduct a certain study and make certain recommendations;
17 establishing a Racetrack Facility Renewal Account; providing for certain
18 distributions from video lottery proceeds to the Racetrack Facility Renewal
19 Account; providing for certain distributions from the Racetrack Facility
20 Renewal Account for certain purposes; establishing a Small, Minority, and
21 Women-Owned Businesses Account; providing for a certain distribution from
22 video lottery proceeds to the Small, Minority, and Women-Owned Businesses
23 Account; requiring the Board of Public Works to make certain grants to certain
24 fund managers; requiring certain fund managers to provide certain reports,
25 keep certain records, and be subject to certain audits; authorizing the State to
26 pay certain transportation costs; requiring the Department of Transportation to
27 facilitate certain negotiations; requiring a certain transportation plan to be
28 developed; requiring certain distributions from video lottery proceeds to be
29 provided as local impact grants; requiring certain counties to report to the
30 Legislative Policy Committee by a certain date each year on the distribution of
31 certain funds; providing for the creation of certain local development councils;
32 requiring certain counties and municipalities to develop certain plans to be
33 reviewed by certain local development councils; requiring the State Lottery
34 Commission to establish certain fees and providing for a certain distribution of
35 certain fees to the Problem Gambling Fund; creating a Problem Gambling Fund;
36 providing for certain disbursements from the Problem Gambling Fund;
37 requiring the State Lottery Commission to make a certain report; prohibiting a
38 licensee for a certain time from employing or entering into a financial
39 relationship with certain individuals; prohibiting a member of the Senate of
40 Maryland or the House of Delegates from having a certain ownership interest in
41 or being an employee of a certain business entity; requiring the governing body
42 of Allegany County to enter into a certain agreement with a certain person for a
43 certain payment in lieu of the collection of certain taxes; requiring a certain
44 agency designated by the Board of Public Works to initiate certain studies and
45 issue certain reports on or before certain dates; requiring the State Lottery
46 Agency to conduct certain market analyses and submit certain reports;
47 requiring the Governor to include certain funds in the State budget for a certain
48 fiscal year for a certain analysis; requiring the State Racing Commission to

1 conduct a certain study, make certain recommendations, and submit a certain
2 report to the General Assembly; requiring the Legislative Auditor to conduct an
3 audit and evaluation of certain information each fiscal year; making the
4 provisions of this Act severable; providing for the staggering of the terms of
5 certain new members of the State Lottery Commission; defining certain terms;
6 making this Act subject to a certain contingency; and generally relating to the
7 operation of video lottery terminals at certain locations in the State.

8 BY repealing

9 Article – Business Regulation
10 Section 11–202(g), 11–511, and 11–1203(a)
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2007 Supplement)
13 (As enacted by Chapter 4 of the Acts of the General Assembly of the 2007
14 Special Session)

15 BY repealing

16 Article – Health – General
17 Section 19–801 through 19–804 and the subtitle “Subtitle 8. Problem Gamblers”
18 Annotated Code of Maryland
19 (2005 Replacement Volume and 2007 Supplement)
20 (As enacted by Chapter 4 of the Acts of the General Assembly of the 2007
21 Special Session)

22 BY repealing

23 Article – State Government
24 Section 9–1A–01 through 9–1A–36 and the subtitle “Subtitle 1A. Video Lottery
25 Terminals”
26 Annotated Code of Maryland
27 (2004 Replacement Volume and 2007 Supplement)
28 (As enacted by Chapter 4 of the Acts of the General Assembly of the 2007
29 Special Session)

30 BY repealing

31 Article – Tax – Property
32 Section 7–515
33 Annotated Code of Maryland
34 (2007 Replacement Volume)
35 (As enacted by Chapter 4 of the Acts of the General Assembly of the 2007
36 Special Session)

37 BY adding to

38 Article – Business Regulation
39 Section 11–202(g)
40 Annotated Code of Maryland
41 (2004 Replacement Volume and 2007 Supplement)

42 BY repealing and reenacting, with amendments,

1 Article – Business Regulation
2 Section 11–511 and 11–1203(a)
3 Annotated Code of Maryland
4 (2004 Replacement Volume and 2007 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Health – General
7 Section 19–801 through 19–804 to be under the amended subtitle “Subtitle 8.
8 Problem Gamblers”
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–36 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 adding to
23 Article – Tax – Property
24 Section 7–515
25 Annotated Code of Maryland
26 (2007 Replacement Volume)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That Section(s) 11–202(g), 11–511, and 11–1203(a) of Article – Business
29 Regulation of the Annotated Code of Maryland (as enacted by Chapter 4 of the Acts of
30 the General Assembly of the 2007 Special Session) be repealed.

31 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 19–801
32 through 19–804 and the subtitle “Subtitle 8. Problem Gamblers” of Article – Health –
33 General of the Annotated Code of Maryland (as enacted by Chapter 4 of the Acts of the
34 General Assembly of the 2007 Special Session) be repealed.

35 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 9–105 and
36 9–108(d); and 9–1A–01 through 9–1A–36 and the subtitle “Subtitle 1A. Video Lottery
37 Terminals” of Article – State Government of the Annotated Code of Maryland (as
38 enacted by Chapter 4 of the Acts of the General Assembly of the 2007 Special Session)
39 be repealed.

1 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 7–515 of
2 Article – Tax – Property of the Annotated Code of Maryland (as enacted by Chapter 4
3 of the Acts of the General Assembly of the 2007 Special Session) be repealed.

4 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
5 read as follows:

6 **Article – Business Regulation**

7 11–202.

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

11 11–511.

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

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

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

19 (2) **THE COMMISSION SHALL AWARD AT LEAST 40 LIVE RACING**
20 **DAYS TO BE RUN AT THE PIMLICO RACE COURSE IN BALTIMORE CITY IN EACH**
21 **CALENDAR YEAR UNLESS OTHERWISE AGREED TO BY THE RACING LICENSEE**
22 **AND THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF LICENSED**
23 **THOROUGHBRED OWNERS AND TRAINERS IN THE STATE OR UNLESS THE**
24 **RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER**
25 **CIRCUMSTANCES BEYOND THE RACING LICENSEE’S CONTROL.**

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

27 11–1203.

28 (a) The Authority consists of **THE FOLLOWING 15 MEMBERS:**

29 (1) the Baltimore City Planning Director; [and]

30 (2) ten members, five of whom shall be business owners, residents, or
31 service providers of the [Park Heights Corridor] **AREAS DESCRIBED IN §**
32 **9–1A–31(A)(2) OF THE STATE GOVERNMENT ARTICLE**, appointed by the Mayor of

1 (a) (1) The Secretary [may] **SHALL** make grants from or agreements for
2 the use of State **FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-33 OF**
3 **THE STATE GOVERNMENT ARTICLE**, and federal funds to help public agencies or
4 nonprofit organizations operate the [center for compulsive gamblers and establish and
5 operate local programs to provide the following for compulsive gamblers:

6 (i) Inpatient services.

7 (ii) Outpatient services.

8 (iii) Partial care services.

9 (iv) Aftercare services.

10 (v) Consultative services.] **NETWORK OF CLINICALLY**
11 **APPROPRIATE SERVICES FOR PROBLEM GAMBLERS WHO RESIDE IN THE STATE**
12 **TO PROVIDE THE FOLLOWING:**

13 (I) **INPATIENT AND RESIDENTIAL SERVICES;**

14 (II) **OUTPATIENT SERVICES;**

15 (III) **INTENSIVE OUTPATIENT SERVICES;**

16 (IV) **CONTINUING CARE SERVICES;**

17 [vi] (V) Educational services[.];

18 [(vii)] (VI) **SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE;**

19 **AND**

20 (VII) Other preventive or rehabilitative services or treatment.

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

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

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

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

4 (IV) BE AN ELECTED OFFICIAL OF STATE OR LOCAL
5 GOVERNMENT.

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

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

10 (c) THE COMMISSION SHALL INCLUDE:

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

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

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

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

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

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

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

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

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

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

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

1 9-108.

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

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

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

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

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

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

12 **9-1A-01.**

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

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

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

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

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

29 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS
30 PURSUED IN AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF
31 ECONOMIC GAIN AND WHO UTILIZES METHODS THAT ARE DEEMED BY THE

1 **COMMISSION AS CRIMINAL VIOLATIONS INIMICAL TO THE INTEREST OF THE**
2 **STATE.**

3 (G) **“CAREER OFFENDER CARTEL” MEANS A GROUP OF PERSONS WHO**
4 **OPERATE TOGETHER AS CAREER OFFENDERS.**

5 (H) **“CENTRAL MONITOR AND CONTROL SYSTEM” MEANS A CENTRAL**
6 **SYSTEM PROVIDED TO AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO**
7 **LOTTERY TERMINALS COMMUNICATE FOR PURPOSES OF:**

8 (1) **INFORMATION RETRIEVAL;**

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

11 (3) **PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY**
12 **TERMINALS.**

13 (I) **“CENTRAL REPOSITORY” MEANS THE CRIMINAL JUSTICE**
14 **INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF**
15 **PUBLIC SAFETY AND CORRECTIONAL SERVICES.**

16 (J) **“COMMISSION” MEANS THE STATE LOTTERY COMMISSION.**

17 (K) **“CONTROL” MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT**
18 **AND POLICIES OF AN APPLICANT OR LICENSEE.**

19 (L) **“COSTS” MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE**
20 **EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS**
21 **SUBTITLE, INCLUDING:**

22 (1) **THE COSTS OF LEASING OR THE CAPITALIZED COST OF**
23 **PURCHASING THE VIDEO LOTTERY TERMINALS, CENTRAL MONITOR AND**
24 **CONTROL SYSTEM, AND ASSOCIATED EQUIPMENT AND SOFTWARE;**

25 (2) **THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY**
26 **TERMINALS, CENTRAL MONITOR AND CONTROL SYSTEM, AND ASSOCIATED**
27 **EQUIPMENT AND SOFTWARE TO THE EXTENT THESE COSTS ARE NOT INCLUDED**
28 **IN THE COSTS OF LEASING OR PURCHASING THE VIDEO LOTTERY TERMINALS,**
29 **CENTRAL MONITOR AND CONTROL SYSTEM, AND ASSOCIATED EQUIPMENT AND**
30 **SOFTWARE;**

31 (3) **THE COSTS OF TESTING AND EXAMINATION OF VIDEO**
32 **LOTTERY TERMINALS AND THE CENTRAL MONITOR AND CONTROL SYSTEM; AND**

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

3 **(M) “FAMILY” MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,**
4 **GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES,**
5 **FATHERS-IN-LAW, MOTHERS-IN-LAW, DAUGHTERS-IN-LAW,**
6 **SONS-IN-LAW, BROTHERS-IN-LAW, AND SISTERS-IN-LAW, WHETHER BY WHOLE**
7 **BLOOD OR HALF BLOOD, BY MARRIAGE, ADOPTION, OR NATURAL**
8 **RELATIONSHIP.**

9 **(N) “LICENSE” MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A**
10 **LICENSE REQUIRED UNDER THIS SUBTITLE.**

11 **(O) “LICENSEE” MEANS AN APPLICANT WHO HAS BEEN ISSUED A**
12 **LICENSE REQUIRED UNDER THIS SUBTITLE.**

13 **(P) “MANUFACTURER” MEANS A PERSON:**

14 **(1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING,**
15 **BUILDING, CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING**
16 **A CENTRAL MONITOR AND CONTROL SYSTEM, VIDEO LOTTERY TERMINALS,**
17 **ASSOCIATED EQUIPMENT OR SOFTWARE, OR THE CABINET IN WHICH A VIDEO**
18 **LOTTERY TERMINAL IS HOUSED;**

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

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

24 **(Q) “OWN” MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST**
25 **OF AT LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR**
26 **LICENSEE.**

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

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

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

5 (II) AFTER THE FIRST FISCAL YEAR OF OPERATIONS, THE
6 EXCLUSION SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT
7 EXCEED A PERCENTAGE ESTABLISHED BY THE COMMISSION BY REGULATION OF
8 THE PROCEEDS RECEIVED IN THE PRIOR FISCAL YEAR BY THE VIDEO LOTTERY
9 OPERATION LICENSEE UNDER § 9-1A-27(A)(2) OF THIS SUBTITLE.

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

13 (U) “PROGRESSIVE JACKPOT SYSTEM” MEANS A SYSTEM CAPABLE OF
14 LINKING ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR MORE LICENSED
15 FACILITIES AND OFFERING ONE OR MORE COMMON PROGRESSIVE JACKPOTS.

16 (V) “VIDEO LOTTERY” MEANS GAMING OR BETTING CONDUCTED USING
17 A VIDEO LOTTERY TERMINAL.

18 (W) “VIDEO LOTTERY DESTINATION LOCATION” MEANS A LOCATION
19 THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER PROVIDED BY
20 LAW A VIDEO LOTTERY OPERATION LICENSE.

21 (X) “VIDEO LOTTERY EMPLOYEE” MEANS AN EMPLOYEE OF A PERSON
22 WHO HOLDS A LICENSE.

23 (Y) “VIDEO LOTTERY FACILITY” MEANS A FACILITY AT WHICH PLAYERS
24 PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

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

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

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

1 (II) BY THE ELEMENT OF CHANCE, MAY DELIVER OR
2 ENTITLE THE PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE
3 CASH, PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER
4 THE PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER
5 MANNER.

6 (2) “VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR
7 DEVICE:

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

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

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

16 **9-1A-02.**

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

18 (B) (1) THE COMMISSION SHALL REGULATE THE OPERATION OF
19 VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

20 (2) THE MARYLAND STATE LOTTERY AGENCY SHALL PROVIDE
21 ASSISTANCE TO THE COMMISSION IN THE PERFORMANCE OF THE
22 COMMISSION’S DUTIES UNDER THIS SUBTITLE.

23 (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO
24 LOTTERY TERMINALS OWNED OR LEASED BY THE STATE THAT ARE CONNECTED
25 TO A CENTRAL MONITOR AND CONTROL SYSTEM OWNED OR LEASED BY THE
26 STATE THAT ALLOWS THE COMMISSION TO MONITOR A VIDEO LOTTERY
27 TERMINAL.

28 (2) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE
29 CENTRAL MONITOR AND CONTROL SYSTEM INTO WHICH ALL LICENSED VIDEO
30 LOTTERY TERMINALS MUST BE CONNECTED.

31 (3) THE CENTRAL MONITOR AND CONTROL SYSTEM SHALL BE
32 CAPABLE OF:

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

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

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

10 (IV) SUPPORTING AND MONITORING A PROGRESSIVE
11 JACKPOT SYSTEM CAPABLE OF OPERATING ONE OR MORE PROGRESSIVE
12 JACKPOTS; AND

13 (V) PROVIDING ANY OTHER FUNCTION THAT THE
14 COMMISSION CONSIDERS NECESSARY.

15 (4) THE CENTRAL MONITOR AND CONTROL SYSTEM SHALL
16 EMPLOY A WIDELY ACCEPTED GAMING INDUSTRY COMMUNICATIONS PROTOCOL
17 TO FACILITATE THE ABILITY OF VIDEO LOTTERY TERMINAL MANUFACTURERS
18 TO COMMUNICATE WITH THE STATEWIDE SYSTEM.

19 (5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
20 PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION
21 LICENSEE TO HAVE ACCESS TO, OR OBTAIN INFORMATION FROM, THE CENTRAL
22 MONITOR AND CONTROL SYSTEM.

23 (II) ONLY IF THE ACCESS DOES NOT IN ANY WAY AFFECT
24 THE INTEGRITY OR SECURITY OF THE CENTRAL MONITOR AND CONTROL
25 SYSTEM, MAY THE COMMISSION ALLOW A VIDEO LOTTERY OPERATION
26 LICENSEE TO HAVE ACCESS TO THE CENTRAL MONITOR AND CONTROL SYSTEM
27 THAT ALLOWS THE LICENSEE TO OBTAIN INFORMATION PERTINENT TO THE
28 LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

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

32 9-1A-03.

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

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

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

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

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

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

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

14 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 **(2) ESTABLISHING THE METHODS, PROCEDURES, AND FORM FOR**
33 **DELIVERY OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING**

1 ANY PERSON'S FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD,
2 BUSINESS ACTIVITIES, AND FINANCIAL AFFAIRS;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, CENTRAL
9 MONITOR AND CONTROL SYSTEM, OR ASSOCIATED EQUIPMENT AND SOFTWARE
10 IN, ABOUT, ON, OR AROUND THOSE PREMISES;

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

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

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

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

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

28 (A) **THE COMMISSION MAY NOT:**

29 (1) ISSUE MORE THAN SIX VIDEO LOTTERY OPERATION
30 LICENSES;

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

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

4 **(B) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A**
5 **VIDEO LOTTERY OPERATION LICENSE:**

6 **(1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT**
7 **LAUREL PARK IN ANNE ARUNDEL COUNTY;**

8 **(2) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR**
9 **THE ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY; AND**

10 **(3) AN OWNER OR OPERATOR OF A VIDEO LOTTERY DESTINATION**
11 **LOCATION DESCRIBED UNDER § 9-1A-36(H) OF THIS SUBTITLE;**

12 **(C) EXCEPT FOR A VIDEO LOTTERY DESTINATION LOCATION LISTED**
13 **UNDER § 9-1A-36(H) OF THIS SUBTITLE, THE VIDEO LOTTERY FACILITY**
14 **LOCATION COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION**
15 **LICENSE TO AN APPLICANT WHO IS THE HOLDER OF A LICENSE TO HOLD A RACE**
16 **MEETING DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION, ON PAYMENT**
17 **OF \$3,000,000 FOR EACH 500 VIDEO LOTTERY TERMINALS INCLUDED IN THE**
18 **APPLICATION.**

19 **(D) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF**
20 **OWNER OR BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER,**
21 **DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR**
22 **BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY**
23 **OTHER PROVISIONS OF THIS SUBTITLE, INCLUDING A PERSON HAVING ANY**
24 **OWNERSHIP INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP**
25 **INTEREST.**

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

28 **(3) A MEMBER OF THE SENATE OF MARYLAND OR THE HOUSE OF**
29 **DELEGATES MAY NOT BE AN OWNER OR AN EMPLOYEE OF ANY BUSINESS ENTITY**
30 **THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE.**

31 **9-1A-06.**

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

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

2 (2) **A MANUFACTURER;**

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

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

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

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

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

24 **(D) FOR A PERIOD OF 1 YEAR AFTER THE INDIVIDUAL'S SERVICE ON**
25 **THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED UNDER §**
26 **9-1A-36 OF THIS SUBTITLE OR THE STATE LOTTERY COMMISSION ENDS, A**
27 **LICENSEE MAY NOT EMPLOY, OR ENTER INTO A FINANCIAL RELATIONSHIP**
28 **WITH, AN INDIVIDUAL WHO HAS BEEN A MEMBER OF THE STATE LOTTERY**
29 **COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.**

30 **9-1A-07.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 **(II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE**
31 **COMMISSION BY REGULATION MAY ESTABLISH THE CATEGORIES OF**

1 INDIVIDUALS WHO SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR
2 IDENTIFICATION AND INVESTIGATION PURPOSES.

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

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

11 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
12 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
13 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

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

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

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

21 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF
22 THE APPLICANT OR LICENSEE; AND

23 (V) THAT:

24 1. THE APPLICANT OR LICENSEE HAS ENTERED INTO
25 A LABOR PEACE AGREEMENT WITH EACH LABOR ORGANIZATION THAT IS
26 ACTIVELY ENGAGED IN REPRESENTING OR ATTEMPTING TO REPRESENT VIDEO
27 LOTTERY AND HOSPITALITY INDUSTRY WORKERS IN THE STATE;

28 2. THE LABOR PEACE AGREEMENT IS VALID AND
29 ENFORCEABLE UNDER 29 U.S.C. § 185;

30 3. THE LABOR PEACE AGREEMENT PROTECTS THE
31 STATE'S REVENUES BY PROHIBITING THE LABOR ORGANIZATION AND ITS
32 MEMBERS FROM ENGAGING IN PICKETING, WORK STOPPAGES, BOYCOTTS, AND
33 ANY OTHER ECONOMIC INTERFERENCE WITH THE OPERATION OF THE VIDEO

1 LOTTERY FACILITY WITHIN THE FIRST 5 YEARS OF THE EFFECTIVE DATE OF THE
2 VIDEO LOTTERY OPERATION LICENSE; AND

3 4. THE LABOR PEACE AGREEMENT APPLIES TO ALL
4 OPERATIONS AT THE VIDEO LOTTERY FACILITY THAT ARE CONDUCTED BY A
5 LESSEE OR TENANT OR UNDER A MANAGEMENT AGREEMENT.

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

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

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

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

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

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

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

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

4 **9-1A-08.**

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

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

10 (2) THE NAMES, PERSONAL EMPLOYMENT, AND, WHEN
11 APPLICABLE, CRIMINAL HISTORIES OF THE OFFICERS, DIRECTORS, PARTNERS,
12 AND PRINCIPAL EMPLOYEES OF THE BUSINESS ENTITY;

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

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

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

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

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

31 (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE
32 BUSINESS ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND

1 UNDERWRITERS AND THEIR REMUNERATION IN THE FORM OF SALARY, WAGES,
2 FEES, OR OTHERWISE;

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

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

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

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

11 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

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

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

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

30 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
31 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
32 LICENSE AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER
33 CARTEL OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER
34 CARTEL IN A MANNER THAT CREATES A REASONABLE BELIEF THAT THE
35 ASSOCIATION IS OF A NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS
36 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) WILLFUL DEFIANCE BY THE APPLICANT OR A PERSON WHO IS**
7 **REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A**
8 **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) IN THIS SECTION, "RACING LICENSEE" MEANS THE HOLDER OF A**
17 **LICENSE ISSUED BY THE STATE RACING COMMISSION TO HOLD A RACE**
18 **MEETING IN THE STATE UNDER TITLE 11 OF THE BUSINESS REGULATION**
19 **ARTICLE.**

20 **(B) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER § 9-1A-29**
21 **OF THIS SUBTITLE, A RACING LICENSEE SHALL:**

22 **(1) (I) FOR LAUREL PARK AND PIMLICO RACE COURSE,**
23 **CONDUCT A MINIMUM OF 220 ANNUAL LIVE RACING DAYS COMBINED BETWEEN**
24 **LAUREL PARK OR PIMLICO RACE COURSE UNLESS OTHERWISE AGREED TO BY**
25 **THE RACING LICENSEE AND THE ORGANIZATION THAT REPRESENTS THE**
26 **MAJORITY OF LICENSED THOROUGHBRED OWNERS AND TRAINERS IN THE**
27 **STATE OR UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF**
28 **GOD, OR OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL;**

29 **(II) FOR ROSECROFT RACEWAY, CONDUCT A MINIMUM OF**
30 **90 ANNUAL LIVE RACING DAYS UNLESS OTHERWISE AGREED TO BY THE RACING**
31 **LICENSEE AND THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF**
32 **LICENSED STANDARDBRED OWNERS AND TRAINERS IN THE STATE OR UNLESS**
33 **THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER**
34 **CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL; AND**

35 **(III) FOR OCEAN DOWNS RACETRACK, CONDUCT A MINIMUM**
36 **OF 40 ANNUAL LIVE RACING DAYS UNLESS OTHERWISE AGREED TO BY THE**

1 RACING LICENSEE AND THE ORGANIZATION THAT REPRESENTS THE MAJORITY
2 OF LICENSED STANDARD BRED OWNERS AND TRAINERS IN THE STATE OR
3 UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR
4 OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL;

5 (2) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR
6 PIMLICO RACE COURSE, RETAIN IN THE STATE OF MARYLAND THE NAME,
7 COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS,
8 TRADE NAMES, AND HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE
9 PREAKNESS STAKES AND THE WOODLAWN VASE;

10 (3) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR
11 THE PIMLICO RACE COURSE, PROMOTE AND CONDUCT THE PREAKNESS
12 STAKES EACH YEAR AT:

13 (I) THE PIMLICO RACE COURSE; OR

14 (II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS,
15 THE PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT
16 THE PIMLICO RACE COURSE, OR THE STATE RACING COMMISSION, UNDER §
17 11-513 OF THE BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY
18 EXISTS, ANOTHER TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE
19 STATE RACING COMMISSION;

20 (4) IF THE RACING LICENSEE HOLDS THE RACING LICENSE FOR
21 LAUREL PARK, PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE
22 RUN ANNUALLY AT LAUREL PARK UNLESS:

23 (I) THE RACING LICENSEE IS PREVENTED FROM DOING SO
24 BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE
25 CONTROL OF THE RACING LICENSEE; OR

26 (II) THE RACING LICENSEE AND THE MARYLAND MILLION
27 LLC AGREE TO ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING
28 COMMISSION;

29 (5) DEVELOP AND SUBMIT TO THE STATE RACING COMMISSION A
30 MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF HORSE
31 RACING AT RACETRACK LOCATIONS OWNED OR OPERATED BY THE RACING
32 LICENSEE IN MARYLAND, WHICH SHALL INCLUDE:

33 (I) GOALS, INDICATORS, AND TIMELINES FOR SPECIFIC
34 ACTIONS THAT WILL BE TAKEN BY THE RACING LICENSEE TO IMPROVE THE

1 **QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND;**
2 **AND**

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

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

7 **2. AN ONGOING INVESTMENT IN CAPITAL**
8 **MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT**
9 **LEAST \$1,500,000 ANNUALLY, WHICH MAY INCLUDE AMOUNTS PROVIDED AS A**
10 **MATCHING FUND AS REQUIRED UNDER § 9-1A-29(E)(2) OF THIS SUBTITLE; AND**

11 **(6) DEVELOP WITH OTHER RACING INDUSTRY REPRESENTATIVES**
12 **A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE**
13 **RACING INDUSTRY IN MARYLAND, WHICH SHALL INCLUDE GOALS, INDICATORS,**
14 **AND TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE**
15 **THOROUGHBRED AND HARNESS RACING INDUSTRIES TO IMPROVE THE QUALITY**
16 **AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING**
17 **JOINT MARKETING EFFORTS.**

18 **(C) AS PART OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS**
19 **IN THE PLAN SUBMITTED UNDER SUBSECTION (B)(5) OF THIS SECTION, A**
20 **RACING LICENSEE SHALL INCLUDE ANY IMPROVEMENTS NECESSARY TO**
21 **ENSURE THAT THE CONDITION OF ANY PART OF THE RACETRACK FACILITY**
22 **WHERE INDIVIDUALS RESIDE IS SATISFACTORY FOR HUMAN HABITATION AND**
23 **MEETS MINIMUM HOUSING AND SANITATION STANDARDS IN THE COUNTY**
24 **WHERE THE FACILITY IS LOCATED.**

25 **(D) THE PLANS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION**
26 **SHALL ALSO BE PROVIDED TO THE DEPARTMENT OF GENERAL SERVICES AND**
27 **TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.**

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

35 **(2) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY**
36 **OPERATION LICENSE, IF A RACETRACK LICENSEE HOLDS A VIDEO LOTTERY**

1 OPERATION LICENSE FOR LAUREL PARK, THE LICENSEE SHALL BE REQUIRED
2 TO:

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

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

12 (3) IF A RACETRACK LICENSEE HAS BEEN ISSUED A VIDEO
13 LOTTERY OPERATION LICENSE FOR A RACETRACK LOCATION AT LAUREL PARK,
14 THE LICENSEE SHALL PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION
15 TO BE RUN ANNUALLY AT LAUREL PARK UNLESS:

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

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

22 (4) IF A VIDEO LOTTERY OPERATION LICENSE IS ISSUED TO A
23 RACETRACK LOCATION AT LAUREL PARK, THE VIDEO LOTTERY OPERATION
24 LICENSEE SHALL:

25 (I) MAINTAIN THE OPERATION OF THE BOWIE TRAINING
26 CENTER; OR

27 (II) IF STATE LAW NO LONGER REQUIRES THE BOWIE
28 TRAINING CENTER TO OPERATE AS A TRAINING FACILITY, CONVEY THE
29 PROPERTY ASSOCIATED WITH THE BOWIE TRAINING CENTER TO THE STATE AS
30 PRESERVED LAND UNDER PROGRAM OPEN SPACE.

31 **9-1A-10.**

32 (A) (1) FOR THE CONSTRUCTION AND PROCUREMENT RELATED TO
33 THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR LICENSEE
34 SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A DESIGNATED UNIT

1 FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER TITLE 14,
2 SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

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

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

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

19 (I) PROVIDE HEALTH INSURANCE COVERAGE FOR ITS
20 EMPLOYEES; AND

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

23 (6) A LICENSEE SHALL:

24 (I) PROVIDE RETIREMENT BENEFITS FOR ITS EMPLOYEES;
25 AND

26 (II) IF THE LICENSEE IS A RACETRACK LICENSEE, PROVIDE
27 RETIREMENT BENEFITS TO ITS VIDEO LOTTERY OPERATION EMPLOYEES THAT
28 ARE EQUIVALENT TO THE LEVEL OF BENEFITS PROVIDED TO THE RACETRACK
29 EMPLOYEES WHO ARE ELIGIBLE UNDER THE MARYLAND RACETRACK
30 EMPLOYEES PENSION FUND.

31 (7) NOTWITHSTANDING ANY COLLECTIVE BARGAINING
32 AGREEMENT OR AGREEMENTS, IF THE LICENSEE IS A RACETRACK LOCATION,
33 THE LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE TO ALL

1 EMPLOYEES OF THE RACETRACK, INCLUDING THE EMPLOYEES OF THE
2 RACETRACK ON THE BACKSTRETCH OF THE RACETRACK.

3 (B) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
4 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF SUBSECTION
5 (A)(1) AND (2) OF THIS SECTION AS A CONDITION OF HOLDING THE VIDEO
6 LOTTERY OPERATION LICENSE.

7 (2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL
8 MONITOR A LICENSEE'S COMPLIANCE WITH SUBSECTION (A)(1) AND (2) OF THIS
9 SECTION.

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

13 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS
14 REPORTS THAT A LICENSEE IS NOT IN COMPLIANCE WITH SUBSECTION (A)(1)
15 AND (2) OF THIS SECTION, THE COMMISSION MAY TAKE IMMEDIATE ACTION TO
16 ENSURE THE COMPLIANCE OF THE LICENSEE.

17 (C) ON OR AFTER JULY 1, 2011, THE PROVISIONS OF SUBSECTION
18 (A)(1) AND (2) OF THIS SECTION AND ANY REGULATIONS ADOPTED UNDER
19 SUBSECTION (A)(1) AND (2) OF THIS SECTION SHALL BE OF NO EFFECT AND MAY
20 NOT BE ENFORCED.

21 **9-1A-11.**

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

25 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
26 SUBSECTION, A LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY
27 TERMINALS IN A PERMANENT FACILITY AT THE LOCATION FOR WHICH THE
28 VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED WITHIN 18 MONTHS
29 AFTER THE LICENSE IS ISSUED.

30 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT
31 EXTENUATING CIRCUMSTANCES EXIST THAT ARE BEYOND THE CONTROL OF A
32 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE
33 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION
34 MAY ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE
35 REQUIREMENTS.

1 **(II) THE COMMISSION MAY NOT GRANT MORE THAN TWO**
2 **EXTENSIONS TO A LICENSEE UNDER THIS PARAGRAPH.**

3 **(3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY**
4 **WITH THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE**
5 **LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE**
6 **STATE.**

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

13 **(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF**
14 **THIS SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK**
15 **LOCATION SHALL BE OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN**
16 **30 MONTHS AFTER THE ISSUANCE OF THE VIDEO LOTTERY OPERATION**
17 **LICENSE.**

18 **9-1A-12.**

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

27 **9-1A-13.**

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

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

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

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

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

12 **9-1A-14.**

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

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

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

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

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

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

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

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

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

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

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

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

24 **9-1A-15.**

25 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER'S
26 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A
27 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO
28 LOTTERY TERMINAL, CENTRAL MONITOR AND CONTROL SYSTEM, ASSOCIATED
29 EQUIPMENT OR SOFTWARE, OR GOODS OR SERVICES THAT DIRECTLY RELATE
30 TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

31 (B) EACH MANUFACTURER, AND EACH PERSON THAT OWNS OR
32 CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY
33 PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER,
34 SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN §§
35 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION
36 LICENSEES.

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

5 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, CENTRAL
6 MONITOR AND CONTROL SYSTEM, AND ASSOCIATED EQUIPMENT AND SOFTWARE
7 SHALL MANUFACTURE OR DISTRIBUTE THE VIDEO LOTTERY TERMINALS,
8 CENTRAL MONITOR AND CONTROL SYSTEM, AND ASSOCIATED EQUIPMENT AND
9 SOFTWARE THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY
10 THE COMMISSION.

11 **9-1A-16.**

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

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

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

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

29 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER
30 OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT
31 ANY TIME AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE
32 COMMISSION MAY:

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

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

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

7 **9-1A-17.**

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

11 (1) PROPER APPLICATION FOR RENEWAL; AND

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

14 **9-1A-18.**

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

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

28 (1) PRECLUDE:

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

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

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

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

6 **9-1A-19.**

7 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A
8 LICENSE ISSUED UNDER THIS SUBTITLE MAY NOT BE:

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

10 (2) PLEDGED AS COLLATERAL.

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

13 (I) THE LICENSEE NOTIFIES THE COMMISSION OF THE
14 PROPOSED SALE OR TRANSFER;

15 (II) THE COMMISSION DETERMINES THAT THE PROPOSED
16 BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE; AND

17 (III) THE TRANSFER IS CONSISTENT WITH THE POLICIES AND
18 INTENT OF § 9-1A-18 OF THIS SUBTITLE.

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

25 **9-1A-20.**

26 (A) IN THIS SECTION, "APPROVED VENDOR" MEANS A PERSON THAT:

27 (1) SPECIALIZES IN CONDUCTING BACKGROUND
28 INVESTIGATIONS;

29 (2) HAS EXPERIENCE IN THE GAMING INDUSTRY; AND

1 **(3) OBTAINS THE APPROVAL OF THE COMMISSION TO CONDUCT**
2 **BACKGROUND INVESTIGATIONS UNDER THIS SECTION.**

3 **(B) THE DEPARTMENT OF STATE POLICE OR AN APPROVED VENDOR**
4 **SHALL:**

5 **(1) CONDUCT A BACKGROUND INVESTIGATION IN A TIMELY**
6 **MANNER OF:**

7 **(I) A VIDEO LOTTERY TERMINAL OPERATION LICENSEE;**

8 **(II) A VIDEO LOTTERY OPERATOR; AND**

9 **(III) ANY OTHER APPLICANT THE COMMISSION CONSIDERS**
10 **NECESSARY; AND**

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

13 **(C) (1) AN APPLICANT SHALL PROVIDE THE DEPARTMENT OF STATE**
14 **POLICE OR AN APPROVED VENDOR WITH ALL INFORMATION THE DEPARTMENT**
15 **REQUIRES IN ORDER TO CONDUCT A BACKGROUND INVESTIGATION.**

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

18 **(D) (1) THE DEPARTMENT OF STATE POLICE OR AN APPROVED**
19 **VENDOR SHALL APPLY TO THE CENTRAL REPOSITORY FOR A STATE AND A**
20 **NATIONAL CRIMINAL HISTORY RECORDS CHECK FOR THE APPLICANT IF**
21 **REQUIRED BY THE COMMISSION.**

22 **(2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY**
23 **RECORDS CHECK, THE DEPARTMENT OF STATE POLICE OR AN APPROVED**
24 **VENDOR SHALL SUBMIT TO THE CENTRAL REPOSITORY:**

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

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

1 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
2 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
3 RECORDS CHECK; AND

4 (IV) THE MANDATORY PROCESSING FEE REQUIRED BY
5 INTERPOL FOR AN INTERNATIONAL CRIMINAL HISTORY RECORDS CHECK.

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

10 (4) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY
11 UNDER THIS SECTION:

12 (I) SHALL BE CONFIDENTIAL;

13 (II) MAY NOT BE REDISSEMINATED; AND

14 (III) MAY BE USED ONLY IN CONNECTION WITH THE
15 ISSUANCE OF A LICENSE REQUIRED UNDER THIS SUBTITLE.

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

20 (E) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF
21 EACH PERSON SPECIFIED IN SUBSECTION (B)(1) OF THIS SECTION, THE
22 DEPARTMENT OF STATE POLICE OR AN APPROVED VENDOR SHALL PROMPTLY
23 FORWARD THE RESULTS OF THE INVESTIGATION TO THE COMMISSION.

24 (F) THE COMMISSION SHALL ADOPT REGULATIONS SPECIFYING THE
25 FACTORS USED TO DETERMINE WHETHER AN APPLICANT FOR A LICENSE MUST
26 SUBMIT TO AN INTERNATIONAL CRIMINAL HISTORY RECORDS CHECK.

27 **9-1A-21.**

28 (A) EACH VIDEO LOTTERY TERMINAL DEVICE, THE CENTRAL MONITOR
29 AND CONTROL SYSTEM, AND THE ASSOCIATED EQUIPMENT AND SOFTWARE
30 SHALL BE:

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

1 **(2) UNDER THE CONTROL OF THE COMMISSION.**

2 **(B) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE**
3 **CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO**
4 **LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL**
5 **CONTRACT WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR**
6 **PURCHASE OF THE VIDEO LOTTERY TERMINALS, CENTRAL MONITOR AND**
7 **CONTROL SYSTEM, AND ASSOCIATED EQUIPMENT AND SOFTWARE AUTHORIZED**
8 **UNDER THIS SUBTITLE.**

9 **(C) (1) THE COMMISSION SHALL ADOPT REGULATIONS GOVERNING**
10 **THE SALE OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION**
11 **UNDER THIS SUBTITLE.**

12 **(2) THE COMMISSION MAY ADOPT REGULATIONS TO PROVIDE**
13 **INCENTIVES TO LICENSED MANUFACTURERS BASED ON THE PERFORMANCE OF**
14 **THE MANUFACTURERS' VIDEO LOTTERY TERMINALS.**

15 **(D) THE COMMISSION SHALL ESTABLISH A PROCESS ENABLING A**
16 **LICENSEE AND THE COMMISSION TO SELECT VIDEO LOTTERY TERMINALS FROM**
17 **A LIST APPROVED BY THE COMMISSION, SUBJECT TO AVAILABLE FUNDS, FOR**
18 **USE IN THE LICENSEE'S VIDEO LOTTERY FACILITY.**

19 **9-1A-22.**

20 **(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS**
21 **SECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE PAYOUT**
22 **PERCENTAGE OF AT LEAST 87%.**

23 **(B) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE**
24 **PAYOUT PERCENTAGE OF MORE THAN 90% BUT NOT MORE THAN 95% FOR**
25 **VIDEO LOTTERY OPERATION LICENSEES.**

26 **(C) THE COMMISSION MAY APPROVE AN AVERAGE PAYOUT**
27 **PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY TERMINALS AT A**
28 **VIDEO LOTTERY FACILITY.**

29 **9-1A-23.**

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

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

4 **(C) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH**
5 **THE COMMISSION MAY BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN**
6 **THE STATE.**

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

8 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE**
9 **COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION LICENSEE**
10 **COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION OF**
11 **HOLDING THE VIDEO LOTTERY OPERATION LICENSE.**

12 **(B) (1) THE COUNTY ALCOHOLIC BEVERAGES LICENSING AUTHORITY**
13 **FOR THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY IS LOCATED SHALL**
14 **ENSURE THAT THE VIDEO LOTTERY LICENSEE COMPLIES WITH THE**
15 **REQUIREMENTS OF THIS SUBSECTION.**

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

19 **(3) ANY FOOD OR ALCOHOLIC BEVERAGES OFFERED BY A VIDEO**
20 **LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS MAY BE OFFERED**
21 **ONLY AT PRICES THAT ARE DETERMINED BY THE COUNTY ALCOHOLIC**
22 **BEVERAGES LICENSING AUTHORITY TO BE COMMENSURATE WITH THE PRICE OF**
23 **SIMILAR TYPES OF FOOD AND ALCOHOLIC BEVERAGES AT RESTAURANTS IN THE**
24 **COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED.**

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

30 **(C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT**
31 **INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS**
32 **ARE NOT ALLOWED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT**
33 **ALLOWED IN AREAS OF THE VIDEO LOTTERY FACILITY WHERE VIDEO LOTTERY**
34 **TERMINALS ARE LOCATED.**

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

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

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

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

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

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

22 (4) AN ORDER UNDER THIS SUBSECTION IS SUBJECT TO JUDICIAL
23 REVIEW.

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

27 (2) THE REGULATIONS SHALL:

28 (I) INCLUDE ESTABLISHMENT OF A VOLUNTARY EXCLUSION
29 LIST OF INDIVIDUALS WITH GAMBLING PROBLEMS WHO HAVE REQUESTED TO
30 BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION LICENSED UNDER THIS
31 SUBTITLE; AND

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

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

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

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

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

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

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

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

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

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

24 **(7) PROHIBIT CONSUMERS FROM CASHING PAYCHECKS AT VIDEO**
25 **LOTTERY FACILITIES; AND**

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

29 **9-1A-25.**

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

4 (1) THIS SUBTITLE;

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

6 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

14 (I) THE SERIOUSNESS OF THE VIOLATION;

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

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

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

23 **9-1A-26.**

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

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

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

4 **9-1A-27.**

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

9 **(1) 4% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED**
10 **IN § 9-1A-01 OF THIS SUBTITLE;**

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

14 **(3) 5% IN LOCAL IMPACT GRANTS, IN ACCORDANCE WITH §**
15 **9-1A-31 OF THIS SUBTITLE;**

16 **(4) 6% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED**
17 **UNDER § 9-1A-28 OF THIS SUBTITLE;**

18 **(5) 2% TO THE RACETRACK FACILITY RENEWAL ACCOUNT**
19 **ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE;**

20 **(6) 1% TO THE SMALL, MINORITY, AND WOMEN-OWNED**
21 **BUSINESSES ACCOUNT ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE;**

22 **(7) 0.5% TO THE MARYLAND AGRICULTURAL LAND**
23 **PRESERVATION FUND UNDER § 2-505 OF THE AGRICULTURE ARTICLE;**

24 **(8) 0.5% TO PROGRAM OPEN SPACE UNDER TITLE 5, SUBTITLE 9**
25 **OF THE NATURAL RESOURCES ARTICLE;**

26 **(9) 0.5% TO THE SENATOR WILLIAM H. AMOSS FIRE, RESCUE,**
27 **AND AMBULANCE FUND UNDER § 8-102 OF THE PUBLIC SAFETY ARTICLE; AND**

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

30 **(B) (1) IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS**
31 **THAN THE PROCEEDS SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION, ANY**

1 AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE PAID
2 TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS
3 SUBTITLE.

4 (2) THE COSTS OF THE COMMISSION SHALL BE AS PROVIDED IN
5 THE STATE BUDGET.

6 9-1A-28.

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

9 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER
10 § 9-1A-27 OF THIS SUBTITLE.

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

14 (3) THE COMPTROLLER SHALL:

15 (I) ACCOUNT FOR THE ACCOUNT; AND

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

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

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

24 (C) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE
25 STATE RACING COMMISSION SHALL ALLOCATE FUNDS IN THE ACCOUNT AS
26 FOLLOWS:

27 (1) 80% TO THE THOROUGHBRED INDUSTRY; AND

28 (2) 20% TO THE STANDARD BRED INDUSTRY.

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

1 (1) 85% TO THOROUGHBRED PURSES AT THE PIMLICO RACE
2 COURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE
3 RACECOURSE AT TIMONIUM; AND

4 (2) 15% TO THE MARYLAND-BRED RACE FUND.

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

7 (1) 85% TO STANDARDBRED PURSES AT ROSECROFT RACEWAY,
8 OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY,
9 ALLOCATED BASED ON THE NUMBER OF LIVE RACING DAYS AT EACH TRACK
10 LOCATION; AND

11 (2) 15% TO THE STANDARDBRED RACE FUND.

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

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

19 (H) ON OR BEFORE DECEMBER 1, 2014, THE STATE RACING
20 COMMISSION SHALL:

21 (1) CONDUCT A STUDY TO DETERMINE THE IMPACT OF THE
22 PURSE DEDICATION ACCOUNT ON THE RACING INDUSTRY IN THE STATE; AND

23 (2) MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY
24 REGARDING THE CONTINUATION OF THE PURSE DEDICATION ACCOUNT AND
25 THE AMOUNT OF MONEY DISTRIBUTED TO THE PURSE DEDICATION ACCOUNT.

26 **9-1A-29.**

27 (A) THERE IS A RACETRACK FACILITY RENEWAL ACCOUNT UNDER THE
28 AUTHORITY OF THE STATE RACING COMMISSION.

29 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER
30 § 9-1A-27 OF THIS SUBTITLE.

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

4 (3) THE COMPTROLLER SHALL:

5 (I) ACCOUNT FOR THE ACCOUNT; AND

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

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

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

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

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

19 (1) 80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND
20 THE RACECOURSE AT TIMONIUM; AND

21 (2) 20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE
22 COURSE.

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

25 (1) SUBMIT A CAPITAL CONSTRUCTION PLAN TO BE
26 IMPLEMENTED WITHIN A SPECIFIED TIME FRAME TO THE STATE RACING
27 COMMISSION FOR APPROVAL; AND

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

30 (F) (1) OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY
31 RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, \$1,000,000

1 SHALL BE PROVIDED ANNUALLY FOR 5 YEARS TO THE RACECOURSE AT
2 TIMONIUM FOR RACETRACK FACILITY CAPITAL CONSTRUCTION AND
3 IMPROVEMENTS.

4 (2) A MATCHING FUND IS NOT REQUIRED FOR THE AMOUNT
5 PROVIDED FOR THE RACECOURSE AT TIMONIUM UNDER PARAGRAPH (1) OF
6 THIS SUBSECTION.

7 (G) OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY
8 RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, THE STATE
9 RACING COMMISSION MAY PROVIDE DIRECT GRANT FUNDING FOR THE
10 ESTABLISHMENT OF A HORSE RACING MUSEUM AS PART OF THE PIMLICO RACE
11 COURSE.

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

14 (1) IN CONSULTATION WITH THE DEPARTMENT OF GENERAL
15 SERVICES, MONITOR THE IMPLEMENTATION OF THE APPROVED CAPITAL
16 CONSTRUCTION PLAN; AND

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

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

23 (J) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO
24 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS
25 TO ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE
26 MADE BY THE HOLDER OF A LICENSE.

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

29 **9-1A-30.**

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

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

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

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

8 **(1) PROVIDE FUNDING FOR PUBLIC ELEMENTARY AND**
9 **SECONDARY EDUCATION, THROUGH CONTINUATION OF THE FUNDING AND**
10 **FORMULAS ESTABLISHED UNDER THE PROGRAMS COMMONLY KNOWN AS THE**
11 **BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT, FIRST ENACTED BY**
12 **CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002, INCLUDING**
13 **THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF EDUCATION**
14 **UNDER § 5-202(F) OF THE EDUCATION ARTICLE;**

15 **(2) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS**
16 **AND PROVIDE PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH**
17 **§§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE; AND**

18 **(3) PROVIDE FUNDS FOR CAPITAL PROJECTS AT COMMUNITY**
19 **COLLEGES AND PUBLIC SENIOR HIGHER EDUCATION INSTITUTIONS.**

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

22 **9-1A-31.**

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

25 **(I) 82% TO THE LOCAL JURISDICTIONS WITH VIDEO**
26 **LOTTERY FACILITIES, BASED ON EACH JURISDICTION'S PERCENTAGE OF**
27 **OVERALL GROSS REVENUES FROM VIDEO LOTTERY TERMINALS; AND**

28 **(II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
29 **SUBSECTION, FOR OPERATIONS AT A VIDEO LOTTERY FACILITY STARTING IN**
30 **FISCAL YEAR 2012 AND ENDING IN FISCAL YEAR 2027, 18% TO BALTIMORE CITY**
31 **WITH THE PIMLICO COMMUNITY DEVELOPMENT AUTHORITY ACTING AS THE**
32 **LOCAL DEVELOPMENT COUNCIL IN ACCORDANCE WITH SUBSECTION (D) OF THIS**
33 **SECTION, TO BE DISTRIBUTED PRIMARILY FOR CAPITAL PROJECTS BENEFITING**
34 **ECONOMIC AND COMMUNITY DEVELOPMENT IN THE FOLLOWING MANNER:**

1 **1. AT LEAST 75% IN A MANNER THAT IS CONSISTENT**
2 **WITH THE PARK HEIGHTS MASTER PLAN; AND**

3 **2. THE REMAINDER DEDICATED TO THE NEEDS OF:**

4 **A. ANY CENSUS BLOCKGROUP THAT BALTIMORE**
5 **CITY IDENTIFIES AS BEING LOCATED PARTLY OR ENTIRELY WITHIN 1 MILE OF**
6 **PIMLICO RACE COURSE BUT NOT WITHIN THE BOUNDARIES OF THE PARK**
7 **HEIGHTS MASTER PLAN; AND**

8 **B. ANY NEIGHBORHOOD INCLUDED IN THE**
9 **NORTHWEST COMMUNITY PLANNING FORUM STRATEGIC NEIGHBORHOOD**
10 **ACTION PLAN.**

11 **(2) (I) OF THE AMOUNT SPECIFIED UNDER PARAGRAPH (1)(II)**
12 **OF THIS SUBSECTION, \$1,000,000 SHALL BE PROVIDED ANNUALLY TO PRINCE**
13 **GEORGE'S COUNTY TO BE USED FOR CAPITAL PROJECTS IN THE COMMUNITY**
14 **WITHIN 10 MILES SURROUNDING ROSECROFT RACEWAY.**

15 **(II) THE LEGISLATIVE POLICY COMMITTEE SHALL REPORT**
16 **ITS FINDINGS AND RECOMMENDATIONS CONCERNING THE ADVISABILITY OF**
17 **THE CONTINUATION OF THE DISTRIBUTION OF FUNDS AFTER FISCAL YEAR 2027**
18 **TO THE COMPTROLLER AND, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE,**
19 **THE GENERAL ASSEMBLY, ON OR BEFORE NOVEMBER 1, 2025.**

20 **(3) BALTIMORE CITY AND PRINCE GEORGE'S COUNTY SHALL**
21 **REPORT TO THE LEGISLATIVE POLICY COMMITTEE BY DECEMBER 31 OF EACH**
22 **YEAR AS TO THE DISTRIBUTION OF THE FUNDS PROVIDED UNDER THIS SECTION.**

23 **(B) LOCAL IMPACT GRANTS PROVIDED UNDER SUBSECTION (A)(1)(I) OF**
24 **THIS SECTION SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN**
25 **IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES AND MAY BE USED**
26 **FOR THE FOLLOWING PURPOSES:**

27 **(1) INFRASTRUCTURE IMPROVEMENTS;**

28 **(2) FACILITIES;**

29 **(3) PUBLIC SAFETY;**

30 **(4) SANITATION;**

1 (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING
2 HOUSING; AND

3 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS.

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

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

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

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

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

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

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

23 (3) (1) IF THE VIDEO LOTTERY FACILITY IS AT A RACETRACK
24 LOCATION AT LAUREL PARK, THE COUNTY EXECUTIVE OF ANNE ARUNDEL
25 COUNTY, THE COUNTY EXECUTIVE OF PRINCE GEORGE'S COUNTY, AND THE
26 COUNTY EXECUTIVE OF HOWARD COUNTY SHALL JOINTLY APPOINT THE LOCAL
27 DEVELOPMENT COUNCIL.

28 (II) IF THE VIDEO LOTTERY FACILITY IS AT A RACETRACK
29 LOCATION AT THE OCEAN DOWNS RACE COURSE, THE COUNTY
30 COMMISSIONERS OF WORCESTER COUNTY AND THE MAYOR OF THE TOWN OF
31 OCEAN CITY SHALL JOINTLY APPOINT THE LOCAL DEVELOPMENT COUNCIL.

32 (D) (1) PRIOR TO ANY EXPENDITURE OF LOCAL IMPACT GRANT
33 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY OR

1 MUNICIPALITY SHALL DEVELOP, IN CONSULTATION WITH THE LOCAL
2 DEVELOPMENT COUNCIL, A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE
3 LOCAL IMPACT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT
4 WITH SUBSECTION (B) OF THIS SECTION.

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

8 (3) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE
9 COUNTY OR MUNICIPALITY ON THE IMPACT OF THE FACILITY ON THE
10 COMMUNITIES AND THE NEEDS AND PRIORITIES OF THE COMMUNITIES IN
11 IMMEDIATE PROXIMITY TO THE FACILITY.

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

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

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

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

24 **9-1A-32.**

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

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

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

31 (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-31 OF THIS SUBTITLE; AND

4 (II) APPROVED BY THE MARYLAND 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 A VIDEO LOTTERY FACILITY IS LOCATED.

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

14 (D) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
15 THE DEPARTMENT OF TRANSPORTATION MAY PAY FOR AND UNDERTAKE THE
16 IMPROVEMENT AND ENHANCEMENT OF MD ROUTE 589 FROM THE
17 INTERSECTION OF MD ROUTE 50 THROUGH MD ROUTE 113 IN WORCESTER
18 COUNTY TO ADDRESS THE NEEDS RELATED TO TRAFFIC CAPACITY, PUBLIC
19 SAFETY, AND ESTHETICS IN THE AREA WHERE A VIDEO LOTTERY FACILITY IS
20 LOCATED.

21 (2) THE DEPARTMENT MAY TAKE THE NECESSARY STEPS TO
22 ENSURE THAT THE PLANS FOR THE IMPROVEMENTS AND ENHANCEMENTS TO
23 MD ROUTE 589 ARE UNDER DEVELOPMENT ON OR BEFORE THE DATE ON
24 WHICH THE VIDEO LOTTERY FACILITY AT THE WORCESTER COUNTY LOCATION
25 IS OPERATIONAL AND OPEN TO THE PUBLIC.

26 **9-1A-33.**

27 (A) THE COMMISSION SHALL:

28 (1) ESTABLISH AN ANNUAL FEE OF \$425, TO BE PAID BY EACH
29 VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY POSITION
30 OPERATED BY THE LICENSEE DURING THE YEAR, BASED ON THE MAXIMUM
31 NUMBER OF TERMINAL POSITIONS IN USE DURING THE YEAR; AND

32 (2) DISTRIBUTE THE FEES COLLECTED UNDER ITEM (1) OF THIS
33 SUBSECTION TO THE PROBLEM GAMBLING FUND ESTABLISHED IN SUBSECTION
34 (B) OF THIS SECTION.

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

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

6 **(3) MONEY IN THE PROBLEM GAMBLING FUND SHALL BE**
7 **INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND**
8 **EARNINGS SHALL ACCRUE TO THE FUND.**

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

12 **(I) ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND**
13 **PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT**
14 **SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND**

15 **(II) DEVELOP AND IMPLEMENT PROBLEM GAMBLING**
16 **TREATMENT AND PREVENTION PROGRAMS, INCLUDING THE PROGRAMS**
17 **ESTABLISHED UNDER TITLE 19, SUBTITLE 8 OF THE HEALTH - GENERAL**
18 **ARTICLE.**

19 **(5) AFTER SATISFYING THE REQUIREMENTS OF PARAGRAPH (4)**
20 **OF THIS SUBSECTION, ANY UNSPENT FUNDS IN THE PROBLEM GAMBLING FUND**
21 **MAY BE EXPENDED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE**
22 **ON DRUG AND OTHER ADDICTION TREATMENT SERVICES.**

23 **(6) EXPENDITURES FROM THE PROBLEM GAMBLING FUND**
24 **SHALL BE MADE IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE**
25 **GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET**
26 **AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE**
27 **AND PROCUREMENT ARTICLE.**

28 **9-1A-34.**

29 **(A) THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE**
30 **GOVERNOR AND, SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL**
31 **ASSEMBLY:**

32 **(1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY**
33 **FACILITIES;**

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

4 (3) ON THE ATTAINMENT OF MINORITY BUSINESS PARTICIPATION
5 GOALS SPECIFIED FOR LICENSEES UNDER § 9-1A-10(A)(1) AND (2) OF THIS
6 SUBTITLE AND THE EFFORTS BY LICENSEES TO MAINTAIN THOSE GOALS.

7 (B) EACH FISCAL YEAR THE LEGISLATIVE AUDITOR SHALL AUDIT AND
8 EVALUATE THE INFORMATION SUBMITTED TO THE COMMISSION BY LICENSEES
9 UNDER SUBSECTION (A)(3) OF THIS SECTION, WITH SPECIAL EMPHASIS ON THE
10 LICENSEE'S UTILIZATION OF CONTRACTORS ACROSS A BROAD SPECTRUM OF ITS
11 BUSINESS ACTIVITIES, INCLUDING THOSE THAT ARE FUNCTIONALLY RELATED
12 TO THE GAMING INDUSTRY.

13 **9-1A-35.**

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

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

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

21 (3) THE COMPTROLLER SHALL:

22 (I) ACCOUNT FOR THE ACCOUNT; AND

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

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

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

1 (C) (1) IN THIS SUBSECTION, "ELIGIBLE FUND MANAGER" MEANS AN
2 ENTITY THAT HAS SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE,
3 UNDER CRITERIA DEVELOPED BY THE BOARD OF PUBLIC WORKS.

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

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

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

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

14 (2) PROVIDE AN ANNUAL REPORT TO THE GOVERNOR AND, IN
15 ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, THE GENERAL ASSEMBLY ON
16 INVESTMENT CAPITAL AND LOANS MADE IN ACCORDANCE WITH SUBSECTION (C)
17 OF THIS SECTION; AND

18 (3) BE SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE
19 AUDITS OF THE DEPARTMENT OF LEGISLATIVE SERVICES.

20 (E) EACH FISCAL YEAR THE LEGISLATIVE AUDITOR SHALL AUDIT AND
21 EVALUATE THE UTILIZATION OF THE FUNDS THAT ARE ALLOCATED TO SMALL,
22 MINORITY, AND WOMEN-OWNED BUSINESSES BY ELIGIBLE FUND MANAGERS
23 UNDER SUBSECTION (C)(3) OF THIS SECTION.

24 **9-1A-36.**

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

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

28 (2) (I) ONE MEMBER SHALL BE APPOINTED BY THE STATE
29 TREASURER.

30 (II) FOUR OF THE MEMBERS SHALL BE APPOINTED BY THE
31 GOVERNOR.

1 (III) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
2 PRESIDENT OF THE SENATE BUT MAY NOT BE MEMBERS OF THE SENATE OF
3 MARYLAND.

4 (IV) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
5 SPEAKER OF THE HOUSE OF DELEGATES BUT MAY NOT BE MEMBERS OF THE
6 HOUSE.

7 (3) THE MEMBERSHIP OF THE VIDEO LOTTERY FACILITY
8 LOCATION COMMISSION APPOINTED UNDER THIS SUBSECTION SHOULD
9 REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY OF THE
10 POPULATION OF THE STATE.

11 (4) THE MEMBER APPOINTED BY THE STATE TREASURER SHALL
12 BE THE CHAIR OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

13 (5) THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF
14 THE SENATE, THE SPEAKER OF THE HOUSE OF DELEGATES, AND THE STATE
15 TREASURER, MAY REMOVE A MEMBER OF THE VIDEO LOTTERY FACILITY
16 LOCATION COMMISSION FOR INEFFICIENCY, MISCONDUCT IN OFFICE, OR
17 NEGLECT OF DUTY.

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

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

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

22 (3) SHALL BE A RESIDENT OF THE STATE;

23 (4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL
24 MATTERS AND SHALL HAVE AT LEAST 10 YEARS 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

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

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

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

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

10 (8) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY,
11 THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE
12 RACING OR LOTTERY;

13 (9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT
14 FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY
15 GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING
16 SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMING
17 ACTIVITY;

18 (10) MAY NOT BE AN ELECTED OFFICIAL OF STATE OR LOCAL
19 GOVERNMENT; AND

20 (11) SHALL FILE A FINANCIAL DISCLOSURE STATEMENT WITH THE
21 STATE ETHICS COMMISSION IN ACCORDANCE WITH TITLE 15, SUBTITLE 6 OF
22 THE STATE GOVERNMENT ARTICLE.

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

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

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

30 (E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE
31 SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION
32 COMMISSION.

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

7 **(F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY**
8 **AWARD NOT MORE THAN FOUR VIDEO LOTTERY OPERATION LICENSES TO**
9 **QUALIFIED BIDDERS, THROUGH A COMPETITIVE BIDDING PROCESS CONSISTENT**
10 **WITH THE PROCESS FOR COMPETITIVE SEALED PROPOSALS UNDER TITLE 13 OF**
11 **THE STATE FINANCE AND PROCUREMENT ARTICLE.**

12 **(G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT**
13 **APPROVE OF MORE THAN ONE VIDEO LOTTERY FACILITY OPERATION LICENSE**
14 **IN A SINGLE COUNTY OR BALTIMORE CITY.**

15 **(H) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION**
16 **LICENSE FOR A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION,**
17 **A PROPOSED VIDEO LOTTERY FACILITY SHALL BE LOCATED IN:**

18 **(I) A LOCATION IN BALTIMORE CITY;**

19 **(II) A LOCATION IN HARFORD COUNTY OR CECIL COUNTY,**
20 **ALONG INTERSTATE 95;**

21 **(III) A LOCATION IN DORCHESTER COUNTY, SOMERSET**
22 **COUNTY, OR WORCESTER COUNTY; OR**

23 **(IV) A LOCATION ON STATE PROPERTY ASSOCIATED WITH**
24 **THE ROCKY GAP STATE PARK IN ALLEGANY COUNTY THAT SHALL BE IN A**
25 **BUILDING THAT IS PHYSICALLY SEPARATE FROM THE ROCKY GAP LODGE AND**
26 **GOLF RESORT.**

27 **(2) (I) BEGINNING WITH THE TERMINATION DATE FOR THE**
28 **VIDEO LOTTERY FACILITY LOCATION COMMISSION AND EVERY 3 YEARS**
29 **THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS AUTHORIZED UNDER**
30 **THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN ALLOCATED BUT ARE NOT**
31 **IN REGULAR OPERATION, THE STATE LOTTERY COMMISSION MAY ALLOCATE OR**
32 **REALLOCATE VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION**
33 **LICENSEES IN A MANNER THAT ENSURES THAT THE HIGHEST POTENTIAL**
34 **REVENUES ARE ACHIEVED.**

1 **(II) IN DETERMINING THE HIGHEST POTENTIAL REVENUES**
2 **TO BE ACHIEVED BY ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH**
3 **POTENTIAL LOCATION, THE STATE LOTTERY COMMISSION SHALL CONSIDER**
4 **THE MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS AT**
5 **EACH LOCATION.**

6 **(I) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION**
7 **LICENSE AT A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION**
8 **SHALL BE SUBMITTED BY FEBRUARY 1, 2009, AND SHALL INCLUDE AN INITIAL**
9 **LICENSE FEE IN THE BID OF AT LEAST \$3,000,000 FOR EACH 500 VIDEO**
10 **LOTTERY TERMINALS INCLUDED IN THE BID.**

11 **(2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS**
12 **SUBTITLE SHALL ACCRUE TO THE EDUCATION TRUST FUND ESTABLISHED**
13 **UNDER § 9-1A-30 OF THIS SUBTITLE.**

14 **(3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION**
15 **LICENSE UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$25,000,000 IN**
16 **DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED**
17 **COSTS FOR EACH 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE**
18 **PROPOSED BID THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF**
19 **VIDEO LOTTERY TERMINALS CONTAINED IN THE BID.**

20 **(J) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE**
21 **VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL EVALUATE THE**
22 **FACTORS UNDER THIS SUBSECTION IN THE MANNER SPECIFIED.**

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

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

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

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

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

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

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

5 (VII) THE PERCENT OF OWNERSHIP BY ENTITIES MEETING
6 THE DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14,
7 SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

8 (VIII) THE EXTENT TO WHICH THE PROPOSED LOCATION WILL
9 PRESERVE EXISTING MARYLAND JOBS AND THE NUMBER OF NET NEW JOBS TO
10 BE CREATED; AND

11 (IX) THE CONTENTS OF THE LICENSEE'S PLAN TO ACHIEVE
12 MINORITY BUSINESS PARTICIPATION GOALS IN ACCORDANCE WITH THE
13 REQUIREMENTS DESCRIBED UNDER § 9-1A-10(A)(1) AND (2) OF THIS SUBTITLE.

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

17 (I) THE ANTICIPATED WAGES AND BENEFITS FOR NEW JOBS
18 TO BE CREATED; AND

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

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

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

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

28 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE
29 EXPENDITURES AT THE PROPOSED FACILITY.

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

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

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

9 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE
10 LOTTERY COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY
11 LOCATION COMMISSION OF THE DETERMINATION AS TO WHETHER A BIDDER IS
12 QUALIFIED TO HOLD A VIDEO LOTTERY OPERATION LICENSE UNDER THIS
13 SUBTITLE.

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

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

22 (O) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE
23 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL SIX
24 VIDEO LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

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

31 (P) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY
32 REISSUE A VIDEO LOTTERY OPERATION LICENSE THAT IS REVOKED OR
33 SURRENDERED UTILIZING THE CRITERIA ESTABLISHED IN THIS SUBTITLE.

1 **(Q) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
2 **SUBSECTION, THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL**
3 **TERMINATE ON JANUARY 1, 2015.**

4 **(2) THE GOVERNOR MAY RECONSTITUTE THE VIDEO LOTTERY**
5 **FACILITY LOCATION COMMISSION, WHICH SHALL INCLUDE THE APPOINTMENT**
6 **OF NEW MEMBERS BASED ON THE CRITERIA ESTABLISHED UNDER SUBSECTIONS**
7 **(B) AND (C) OF THIS SECTION:**

8 **(I) ONE YEAR PRIOR TO THE EXPIRATION OF A VIDEO**
9 **LOTTERY OPERATION LICENSE; OR**

10 **(II) FOLLOWING THE REVOCATION OR SURRENDER OF A**
11 **VIDEO LOTTERY OPERATION LICENSE.**

12 **Article - Tax - Property**

13 **7-515.**

14 **(A) THIS SECTION SHALL BE APPLICABLE TO ALL TAXABLE YEARS**
15 **BEGINNING AFTER JUNE 30, 2008.**

16 **(B) (1) NOTWITHSTANDING § 7-237 OF THIS TITLE, AND SUBJECT TO**
17 **PARAGRAPH (2) OF THIS SUBSECTION, FOR A TAXABLE YEAR BEGINNING**
18 **BEFORE JULY 1, 2011, THE GOVERNING BODY OF A COUNTY MAY INCREASE TO**
19 **NOT MORE THAN 65%, BY LAW, THE PERCENT OF THE ASSESSMENT OF ANY**
20 **PERSONAL PROPERTY DESCRIBED IN § 7-237 OF THIS TITLE THAT IS SUBJECT**
21 **TO COUNTY PROPERTY TAX.**

22 **(2) THE GOVERNING BODY OF A COUNTY MAY NOT INCREASE THE**
23 **PERCENT OF ASSESSMENT OF PERSONAL PROPERTY DESCRIBED IN § 7-237 OF**
24 **THIS TITLE THAT IS SUBJECT TO COUNTY PERSONAL PROPERTY TAX TO MORE**
25 **THAN:**

26 **(I) 65% FOR THE TAXABLE YEAR BEGINNING JULY 1, 2008;**

27 **(II) 60% FOR THE TAXABLE YEAR BEGINNING JULY 1, 2009;**

28 **AND**

29 **(III) 55% FOR THE TAXABLE YEAR BEGINNING JULY 1, 2010.**

30 **(3) (I) A COUNTY THAT INCREASES THE PERCENT OF**
31 **ASSESSMENT OF TAXABLE PERSONAL PROPERTY UNDER PARAGRAPH (1) OF**
32 **THIS SUBSECTION SHALL SUBMIT A COPY OF THE LAW TO THE DEPARTMENT.**

1 **(II) IF THE DEPARTMENT RECEIVES A COPY OF THE LAW ON**
2 **OR BEFORE MAY 1, THE CHANGE SHALL BE EFFECTIVE FOR THE TAXABLE YEAR**
3 **FOLLOWING THE DATE THE LAW IS ENACTED.**

4 **(C) (1) THE GOVERNING BODY OF A COUNTY MAY ENTER INTO AN**
5 **AGREEMENT WITH THE OWNER OF A FACILITY FOR THE GENERATION OF**
6 **ELECTRICITY THAT IS LOCATED OR LOCATES IN THE COUNTY FOR A**
7 **NEGOTIATED PAYMENT BY THE OWNER IN LIEU OF TAXES ON THE FACILITY.**

8 **(2) AN AGREEMENT FOR A NEGOTIATED PAYMENT IN LIEU OF**
9 **TAXES UNDER THIS SECTION SHALL PROVIDE THAT, FOR THE TERM SPECIFIED**
10 **IN THE AGREEMENT:**

11 **(I) THE OWNER SHALL PAY TO THE COUNTY A SPECIFIED**
12 **AMOUNT EACH YEAR IN LIEU OF THE PAYMENT OF COUNTY REAL AND**
13 **PERSONAL PROPERTY TAX; AND**

14 **(II) ALL OR A SPECIFIED PART OF THE REAL AND PERSONAL**
15 **PROPERTY AT THE FACILITY SHALL BE EXEMPT FROM COUNTY PROPERTY TAX**
16 **FOR THE TERM OF THE AGREEMENT.**

17 **(D) AS SPECIFIED IN THE AGREEMENT FOR A NEGOTIATED PAYMENT IN**
18 **LIEU OF TAXES UNDER THIS SECTION, FOR THE TERM SPECIFIED IN THE**
19 **AGREEMENT, THE REAL AND PERSONAL PROPERTY AT A FACILITY FOR THE**
20 **GENERATION OF ELECTRICITY THAT IS LOCATED OR LOCATES IN THE COUNTY IS**
21 **EXEMPT FROM COUNTY PROPERTY TAX.**

22 **(E) FOR EACH TAXABLE YEAR, WASHINGTON COUNTY SHALL**
23 **DISTRIBUTE TO THE TOWN OF WILLIAMSPORT AN AMOUNT EQUAL TO 35% OF:**

24 **(1) ANY COUNTY PROPERTY TAX REVENUE ATTRIBUTABLE TO**
25 **INCREASING THE PERCENT OF ASSESSMENT OF ANY PERSONAL PROPERTY**
26 **DESCRIBED IN § 7-237 OF THIS TITLE THAT IS SUBJECT TO COUNTY PROPERTY**
27 **TAX, AS AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION; OR**

28 **(2) ANY AMOUNT RECEIVED BY THE COUNTY UNDER A**
29 **NEGOTIATED PAYMENT IN LIEU OF TAXES UNDER THIS SECTION.**

30 SECTION 6. AND BE IT FURTHER ENACTED, That if any provision of this
31 Act or the application thereof to any person or circumstance is held invalid for any
32 reason in a court of competent jurisdiction, the invalidity does not affect other
33 provisions or any other application of this Act which can be given effect without the

1 invalid provision or application, and for this purpose the provisions of this Act are
2 declared severable.

3 SECTION 7. AND BE IT FURTHER ENACTED, That the intent of this Act
4 and its various integrated provisions is to provide for the authorization and regulation
5 of certain gaming devices for the purpose of generating State revenues and other funds
6 for specified purposes, including funding educational facility construction and
7 renovation and assisting the State's racing industry. This section is not intended to
8 detract from the application of the severability provision contained in Section 6 of this
9 Act or from the ability of a court of competent jurisdiction to consider and apply
10 appropriate severability principles in the event of a judicial challenge to the validity of
11 a specific portion or portions of the bill.

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

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

- 32 (a) one member in 2010;
- 33 (b) one member in 2011; and
- 34 (c) two members in 2012.

35 SECTION 10. AND BE IT FURTHER ENACTED, That:

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

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

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

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

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

15 SECTION 11. AND BE IT FURTHER ENACTED, That the State Racing
16 Commission shall study the current levels of benefits provided to employees of the
17 State's thoroughbred and standardbred racetracks. The State Racing Commission
18 shall make recommendations to ensure that the benefits to and funding for racetrack
19 employees are adequate. On or before January 1, 2009, the State Racing Commission
20 shall submit a report to the General Assembly, in accordance with § 2-1246 of the
21 State Government Article, and make recommendations on statutory changes, if
22 needed.

23 SECTION 12. AND BE IT FURTHER ENACTED, That:

24 (a) If a video lottery operation license is awarded to Laurel Park in Anne
25 Arundel County, the local impact grant provided under § 9-1A-27(a)(3) of the State
26 Government Article, as enacted by Section 5 of this Act, shall be distributed in the
27 following manner:

- 28 (1) 70% to Anne Arundel County;
- 29 (2) 13% to Howard County;
- 30 (3) 5% to Prince George's County; and
- 31 (4) subject to subsection (b) of this section, 12% to the City of Laurel.

1 (b) Proceeds distributed under subsection (a)(4) of this section shall be
2 distributed directly to the Mayor and City Council of the City of Laurel.

3 SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding any
4 other provision of law, not less than 95% of the revenues received by Baltimore City
5 through a partnership with a video lottery operation licensee, excluding any local
6 impact grants received under § 9-1A-27(a)(3) of the State Government Article, as
7 enacted by Section 5 of this Act, shall be used to reduce real property taxes in
8 Baltimore City and for public school construction and rehabilitation of Baltimore City
9 public schools.

10 SECTION 14. AND BE IT FURTHER ENACTED, That this Act shall take
11 effect June 1, 2008, contingent on Chapter 4 of the Acts of the General Assembly of the
12 Special Session of 2007 being rendered invalid by a declaration or order of the Court of
13 Appeals and, if Chapter 4 is not rendered invalid, this Act shall be null and void
14 without the necessity of further action by the General Assembly.