

HOUSE BILL 1553

C7, C6

9lr3350

By: **Delegates Conway, Mathias, and Elmore**

Rules suspended

Introduced and read first time: March 10, 2009

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Operations – Horse Racing**

3 FOR the purpose of altering the amounts that horse racing licensees must invest
4 annually in thoroughbred and standardbred racing facilities to be eligible for
5 funding from certain proceeds of video lottery terminals; requiring that a
6 certain employee hiring preference be followed for a video lottery facility in
7 Worcester County; repealing a requirement that the State Lottery Commission
8 deny a video lottery employee license to an applicant who is disqualified due to
9 a lack of certain expertise or training; altering certain responsibilities of a video
10 lottery operation licensee; repealing the requirement that the Mayor of the
11 Town of Ocean City participate in the appointment of a certain local
12 development council; requiring, instead of authorizing, the State to pay for
13 certain reasonable transportation costs; altering the manner in which a certain
14 local impact grant is to be distributed under certain circumstances; and
15 generally relating to video lottery operations and horse racing.

16 BY repealing and reenacting, with amendments,

17 Article – State Government

18 Section 9–1A–09(b)(5), 9–1A–10(a)(5), 9–1A–14(c), 9–1A–23(b),

19 9–1A–31(c)(3)(ii), and 9–1A–32(a)

20 Annotated Code of Maryland

21 (2004 Replacement Volume and 2008 Supplement)

22 BY repealing and reenacting, with amendments,

23 Chapter 4 of the Acts of the General Assembly of the 2007 Special Session

24 Section 8A

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – State Government**

2 9–1A–09.

3 (b) As a condition of eligibility for funding under § 9–1A–29 of this subtitle, a
4 racing licensee shall:5 (5) develop and submit to the State Racing Commission a multiyear
6 plan to improve the quality and marketing of horse racing at racetrack locations
7 owned or operated by the racing licensee in Maryland, which shall include:8 (i) goals, indicators, and timelines for specific actions that will
9 be taken by the racing licensee to improve the quality and marketing of the horse
10 racing industry in Maryland; and11 (ii) a master plan for capital improvements that reflects, at a
12 minimum:13 1. commitments that have been made to the State
14 Racing Commission; and15 2. an ongoing **ANNUAL** investment in capital
16 maintenance and improvements in the horse racing facilities of at least [\$1,500,000
17 annually] **\$1,000,000 FOR THOROUGHBRED RACING FACILITIES AND \$500,000**
18 **FOR STANDARD BRED RACING FACILITIES**, which may include amounts provided as
19 a matching fund as required under § 9–1A–29(e)(2) of this subtitle; and

20 9–1A–10.

21 (a) (5) **(I)** Notwithstanding any collective bargaining agreement or
22 agreements, a licensee shall:23 [(i)] **1.** provide health insurance coverage for its employees;
24 and25 [(ii)] **2. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
26 **THIS PARAGRAPH**, give a preference to hiring qualified employees from the
27 communities within 10 miles of the video lottery facility.28 **(II) FOR A VIDEO LOTTERY FACILITY IN WORCESTER**
29 **COUNTY, A PREFERENCE SHALL BE GIVEN TO HIRING QUALIFIED EMPLOYEES**
30 **FROM WORCESTER COUNTY OR WICOMICO COUNTY.**

31 9–1A–14.

32 (c) The Commission shall deny a video lottery employee license to an
33 applicant who is disqualified due to:

1 (1) the applicant's failure to prove the applicant's good character,
2 honesty, and integrity;

3 (2) [the applicant's lack of expertise or training to be a video lottery
4 employee;

5 (3)] the applicant's conviction for any crime involving moral turpitude
6 or gambling under the laws of the United States or any state;

7 [(4)] (3) the applicant's current prosecution for any crime involving
8 moral turpitude or gambling under the laws of the United States or any state, but, at
9 the request of the applicant, the Commission may defer a decision on the application
10 during the pendency of the charge;

11 [(5)] (4) pursuit by the applicant of economic gain in an occupational
12 manner or context that is in violation of the laws of the State, if the pursuit creates a
13 reasonable belief that participation of the applicant in video lottery operations would
14 be inimical to the policies of this subtitle;

15 [(6)] (5) identification of the applicant as a career offender or a
16 member of a career offender cartel or an associate of a career offender or career
17 offender cartel in a manner that creates a reasonable belief that the association is of a
18 nature as to be inimical to the policies of this subtitle;

19 [(7)] (6) commission of an act by the applicant that would constitute
20 an offense described under item [(3)](2) of this subsection, even if the act has not been
21 or may not be prosecuted under the criminal laws of the State;

22 [(8)] (7) willful defiance by the applicant or a person that is required
23 to be qualified under this subtitle as a condition of a license of a legislative
24 investigatory body or other official investigatory body of the United States or a
25 jurisdiction within the United States when the body is engaged in the investigation of
26 crimes relating to gambling, official corruption, or organized crime activity; and

27 [(9)] (8) any other reason established in the regulations of the
28 Commission as a reason for denying a license.

29 9-1A-23.

30 (b) A video lottery operation licensee shall be responsible for all [marketing,
31 advertising, and promotion] **ADVERTISING** for its video lottery operation.

32 9-1A-31.

33 (c) (3) (ii) If the video lottery facility is at a racetrack location at the
34 Ocean Downs Race Course, the County Commissioners of Worcester County [and the

1 Mayor of the Town of Ocean City] shall [jointly] appoint the local development
2 council.

3 9-1A-32.

4 (a) The State [may] **SHALL** pay for the reasonable transportation costs to:

5 (1) mitigate the impact on the communities in the immediate
6 proximity to the facility; and

7 (2) make each video lottery facility accessible to the public.

8 **Chapter 4 of the Acts of the 2007 Special Session**

9 SECTION 8A. AND BE IT FURTHER ENACTED, That, if a video lottery
10 operation license is awarded to Ocean Downs racetrack, the local impact grant
11 provided under § 9-1A-27(a)(3) of the State Government Article, as enacted by Section
12 1 of this Act, shall be distributed in the following manner:

13 (1) [70%] **60%** to Worcester County;

14 (2) 20% to Ocean City; [and]

15 (3) 10% to the Town of Berlin; **AND**

16 (4) **NOTWITHSTANDING § 9-1A-31 OF THE STATE GOVERNMENT**
17 **ARTICLE, 10% TO THE OCEAN PINES ASSOCIATION TO BE USED FOR A**
18 **SPECIFIED PUBLIC PURPOSE.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2009.