

HOUSE BILL 40

P1

0lr0759

(PRE-FILED)

By: **Delegate F. Turner**

Requested: October 14, 2009

Introduced and read first time: January 13, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery – Costs – Money for Terminals**

3 FOR the purpose of increasing by a certain amount the proceeds from the operation of
4 video lottery terminals devoted to paying certain costs, including the leasing or
5 purchasing, repairing, maintaining, testing, and examining of video lottery
6 terminals; reducing by a certain amount the proceeds from the operation of
7 video lottery terminals devoted to the Purse Dedication Account under the
8 authority of the State Racing Commission; and generally relating to the
9 distribution of proceeds from the operation of video lottery terminals.

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 9–1A–01(a) and (l) and 9–1A–28(a)
13 Annotated Code of Maryland
14 (2009 Replacement Volume)

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 9–1A–27(a)
18 Annotated Code of Maryland
19 (2009 Replacement Volume)

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

22 **Article – State Government**

23 9–1A–01.

24 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (l) "Costs" means, unless the context otherwise requires, the expenses
2 incurred by the Commission in the administration of this subtitle, including:

3 (1) the costs of leasing or the capitalized cost of purchasing the video
4 lottery terminals, central monitor and control system, and associated equipment and
5 software;

6 (2) the costs to repair and maintain the video lottery terminals,
7 central monitor and control system, and associated equipment and software to the
8 extent these costs are not included in the costs of leasing or purchasing the video
9 lottery terminals, central monitor and control system, and associated equipment and
10 software;

11 (3) the costs of testing and examination of video lottery terminals and
12 the central monitor and control system; and

13 (4) the costs of performing background investigations and other
14 related activities.

15 9-1A-27.

16 (a) On a properly approved transmittal prepared by the Commission, the
17 Comptroller shall pay the following amounts from the proceeds of video lottery
18 terminals at each video lottery facility:

19 (1) ~~[2%]~~ **5.5%** to the State Lottery Agency for costs as defined in §
20 9-1A-01 of this subtitle, **NOT TO EXCEED A TOTAL OF \$75,000,000**;

21 (2) to the video lottery operation licensee, the percentage stated in the
22 accepted bid for the location, not to exceed 33%;

23 (3) 5.5% in local impact grants, in accordance with § 9-1A-31 of this
24 subtitle;

25 (4) ~~[7%]~~ **3.5%** to the Purse Dedication Account established under §
26 9-1A-28 of this subtitle, not to exceed a total of ~~[\$100,000,000]~~ **\$50,000,000** to the
27 Account annually;

28 (5) for the first 8 years of operations at a video lottery facility, 2.5% to
29 the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle,
30 not to exceed a total of \$40,000,000 to the Account annually;

31 (6) 1.5% to the Small, Minority, and Women-Owned Businesses
32 Account established under § 9-1A-35 of this subtitle; and

1 (7) the remainder to the Education Trust Fund established under §
2 9-1A-30 of this subtitle.

3 9-1A-28.

4 (a) There is a Purse Dedication Account under the authority of the State
5 Racing Commission.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2010.