

HOUSE BILL 512

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By: **Delegates Bromwell, Aumann, Boteler, Costa, DeBoy, Eckardt, Frank, Haddaway, Impallaria, Jennings, Kach, King, Levy, McDonough, Minnick, Olszewski, Schuler, and Weir**

Introduced and read first time: February 1, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminals – Baltimore–Washington International Thurgood**
3 **Marshall Airport**

4 FOR the purpose of altering the number of video lottery operation licenses and video
5 lottery terminals that may be awarded by the Video Lottery Facility Location
6 Commission to provide for the award of a video lottery operation license at
7 Baltimore–Washington International Thurgood Marshall Airport under certain
8 conditions; providing that a certain restriction on the number of video lottery
9 operation licenses that may be awarded in a county or Baltimore City is not
10 applicable; requiring that certain proceeds be paid into the Transportation
11 Trust Fund; providing that a bid for a certain video lottery operation license be
12 made by a certain date; making this Act contingent on the passage and
13 ratification of a certain constitutional amendment; and generally relating to the
14 operation of video lottery terminals at a certain location in the State.

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 9–1A–05(a), 9–1A–27(a), and 9–1A–36(f), (g), (h), (i), (j), and (p)
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–05.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Video Lottery Facility Location Commission established under §
2 9–1A–36 of this subtitle may not:

3 (1) issue more than [five] **SIX** video lottery operation licenses;

4 (2) award more than [15,000] **17,500** video lottery terminals for
5 operation at video lottery facilities in the State; [and]

6 (3) subject to the requirements of **PARAGRAPH (4) OF THIS**
7 **SUBSECTION AND** § 9–1A–36(h) and (i) of this subtitle, award more than 4,750
8 terminals for operation at any video lottery facility; **AND**

9 (4) **AWARD MORE THAN 2,500 VIDEO LOTTERY TERMINALS FOR**
10 **OPERATION AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
11 **MARSHALL AIRPORT.**

12 9–1A–27.

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

16 (1) 2% to the State Lottery Agency for costs as defined in § 9–1A–01 of
17 this subtitle;

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

20 (3) 5.5% in local impact grants, in accordance with § 9–1A–31 of this
21 subtitle;

22 (4) 7% to the Purse Dedication Account established under § 9–1A–28
23 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;

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

27 (6) 1.5% to the Small, Minority, and Women–Owned Businesses
28 Account established under § 9–1A–35 of this subtitle; and

29 (7) the remainder to:

30 (I) the Education Trust Fund established under § 9–1A–30 of
31 this subtitle; **OR**

1 **(II) IF THE PROCEEDS ARE FROM THE VIDEO LOTTERY**
2 **TERMINALS AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
3 **MARSHALL AIRPORT, THE TRANSPORTATION TRUST FUND.**

4 9–1A–36.

5 (f) The Video Lottery Facility Location Commission may award not more
6 than ~~[five]~~ **SIX** video lottery operation licenses to qualified bidders, through a
7 competitive bidding process consistent with the process for competitive sealed
8 proposals under Title 13 of the State Finance and Procurement Article.

9 **(g) (1) THIS SUBSECTION DOES NOT APPLY TO A VIDEO LOTTERY**
10 **OPERATION LICENSE AWARDED FOR OPERATION OF VIDEO LOTTERY**
11 **TERMINALS AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
12 **MARSHALL AIRPORT.**

13 **(2)** The Video Lottery Facility Location Commission may not award
14 more than one video lottery facility operation license in a single county or Baltimore
15 City.

16 (h) (1) In order to qualify for a video lottery operation license for a video
17 lottery destination location under this section, a proposed video lottery facility shall be
18 located in one of the following ~~[counties]~~ **LOCATIONS:**

19 (i) ~~[a location]~~ in Anne Arundel County, within 2 miles of MD
20 Route 295;

21 (ii) ~~[a location]~~ in Cecil County, within 2 miles of Interstate 95;

22 (iii) ~~[a location]~~ on State property associated with the Rocky Gap
23 State Park in Allegany County that shall be in a building that is physically separate
24 from the Rocky Gap Lodge and Golf Resort;

25 (iv) ~~[a location]~~ in Worcester County, within 1 mile of the
26 intersection of Route 50 and Route 589; ~~[or]~~

27 (v) ~~[a location]~~ in Baltimore City **ON PROPERTY** that is:

28 1. located:

29 A. in a nonresidential area;

30 B. within one–half mile of Interstate 95;

31 C. within one–half mile of MD Route 295; and

1 D. on property that is owned by Baltimore City on the
2 date on which the application for a video lottery operation license is submitted; and

3 2. not adjacent to or within one-quarter mile of property
4 that is:

5 A. zoned for residential use; and

6 B. used for a residential dwelling on the date the
7 application for a video lottery operation license is submitted; **OR**

8 **(VI) AT THE TERMINAL BUILDING AND SURROUNDING AREA**
9 **WITHIN THE SECURITY PERIMETER OF BALTIMORE-WASHINGTON**
10 **INTERNATIONAL THURGOOD MARSHALL AIRPORT.**

11 (2) Nothing in paragraph (1)(v)1D of this subsection may be construed
12 to preempt the exclusive authority of the Video Lottery Facility Location Commission
13 to award video lottery operation licenses in accordance with this subtitle.

14 (3) (i) With respect to a video lottery operation license issued for a
15 location under paragraph (1)(iv) of this subsection, the holder of the video lottery
16 operation license or any other person with a direct or indirect legal or financial
17 interest in the Ocean Downs racetrack or video lottery facility may not:

18 1. build any type of hotel, motel, or other public lodging
19 accommodation on or within 10 miles of the property owned by the holder of the
20 license on which a video lottery facility is operated;

21 2. convert an existing facility on or within 10 miles of
22 the property described in item 1 of this subparagraph into any type of hotel, motel, or
23 other public lodging accommodation;

24 3. build or operate a conference center or convention
25 center, amusement park, amusement rides, arcade, or miniature golf course on or
26 within 10 miles of the property described in item 1 of this subparagraph; or

27 4. offer to patrons of the video lottery facility the playing
28 of live music, floor shows, dancing, dancing exhibitions, performances, or any other
29 form of live entertainment in or near the video lottery facility, provided that the holder
30 of the video lottery operation license for the location under paragraph (1)(iv) of this
31 subsection or another person with a direct or indirect legal or financial interest in the
32 Ocean Downs racetrack or the video lottery facility may allow:

33 A. live fireworks displays to be conducted on the
34 property; and

35 B. a single piano that is played by an individual.

1 (ii) The prohibitions under subparagraph (i) of this paragraph
2 apply to any subsequent holder of a video lottery operation license issued under
3 paragraph (1)(iv) of this subsection.

4 (i) (1) Except as provided in paragraphs (2) and (3) of this subsection, the
5 Video Lottery Facility Location Commission may not allocate more than the following
6 number of video lottery terminals for:

7 (i) a location in Anne Arundel County – 4,750 video lottery
8 terminals;

9 (ii) a location in Baltimore City – 3,750 video lottery terminals;

10 (iii) a location in Cecil County – 2,500 video lottery terminals;

11 (iv) a location in Rocky Gap State Park (Allegany County) –
12 1,500 video lottery terminals; [and]

13 (v) a location in Worcester County – 2,500 video lottery
14 terminals; AND

15 (VI) A LOCATION AT THE TERMINAL BUILDING AND
16 SURROUNDING AREA WITHIN THE SECURITY PERIMETER OF
17 BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT –
18 2,500 VIDEO LOTTERY TERMINALS.

19 (2) [The] EXCEPT AS PROVIDED IN § 9–1A–05(A)(4) OF THIS
20 SUBTITLE, THE Video Lottery Facility Location Commission may allocate video
21 lottery terminals in a manner that is different from the allocation provided in
22 paragraph (1) of this subsection on a determination that the market factors and other
23 factors evaluated under subsection (k) of this section warrant the different allocation,
24 provided that no one location may be allocated more than 4,750 video lottery
25 terminals.

26 (3) (i) [Beginning] EXCEPT AS PROVIDED IN § 9–1A–05(A)(4)
27 OF THIS SUBTITLE, BEGINNING with the termination date for the Video Lottery
28 Facility Location Commission and every 3 years thereafter, if all of the video lottery
29 terminals authorized under this subtitle are not allocated or have been allocated but
30 are not in regular operation, the State Lottery Commission may allocate or reallocate
31 video lottery terminals to video lottery operation licensees in a manner that ensures
32 that the highest potential revenues are achieved.

33 (ii) In determining the highest potential revenues to be achieved
34 by additional video lottery terminals at each potential location, the State Lottery
35 Commission shall consider the market performance of the existing video lottery
36 terminals at each location.

1 (j) (1) [A] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
2 **SUBSECTION, A** bid submitted for a video lottery operation license at a video lottery
3 destination location under this section shall be submitted by February 1, 2009, and
4 shall include an initial license fee in the bid of at least \$3,000,000 for each 500 video
5 lottery terminals included in the bid.

6 **(2) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION**
7 **LICENSE AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
8 **MARSHALL AIRPORT SHALL BE SUBMITTED BY APRIL 15, 2012.**

9 **[(2)] (3)** All initial license fees submitted under this subtitle shall
10 accrue to the Education Trust Fund established under § 9–1A–30 of this subtitle.

11 **[(3)] (4)** A bid submitted for a video lottery operation license under
12 this section shall provide for at least \$25,000,000 in direct investment by the applicant
13 in construction and related costs for each 500 video lottery terminals contained in the
14 proposed bid that shall be prorated based on the exact number of video lottery
15 terminals contained in the bid.

16 (p) (1) Nothing in this subtitle may be construed to require the Video
17 Lottery Facility Location Commission to issue all **[five] SIX** video lottery operation
18 licenses authorized under this subtitle.

19 (2) Notwithstanding any of the provisions of this subtitle, the Video
20 Lottery Facility Location Commission may not award a video lottery operation license
21 under this subtitle unless the Video Lottery Facility Location Commission determines
22 and declares that a bid selected for award of the license is in the public interest and is
23 consistent with the purposes of this subtitle.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is contingent on
25 the passage of Chapter ____ (S.B. ____/H.B. ____)(0lr2034) of the Acts of the General
26 Assembly of 2010, a constitutional amendment, and its ratification by the voters of the
27 State.

28 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions
29 of Section 2 of this Act, this Act shall take effect on the proclamation of the Governor
30 that the constitutional amendment, having received a majority of the votes cast at the
31 general election, has been adopted by the people of Maryland.