

HOUSE BILL 1

C7

3lr0252
CF SB 1

By: **The Speaker (By Request – Administration)**

Introduced and read first time: August 10, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming Expansion – Video Lottery Terminals and Table Games**

3 FOR the purpose of establishing the State Lottery and Gaming Control Commission
4 and the State Lottery and Gaming Control Agency with certain powers and
5 duties; transferring the responsibilities of the State Lottery Commission and
6 the State Lottery Agency to the State Lottery and Gaming Control Commission
7 and the State Lottery and Gaming Control Agency, respectively; providing for
8 the membership of the State Lottery and Gaming Control Commission;
9 providing for certain qualifications, terms of office, salaries, and
10 reimbursements of expenses for members of the State Lottery and Gaming
11 Control Commission; providing for certain staffing and consultants for the State
12 Lottery and Gaming Control Commission; requiring certain video lottery
13 facilities to own or lease certain video lottery terminals and associated
14 equipment and software; requiring that certain savings related to the ownership
15 or leasing of video lottery terminals and associated equipment and software be
16 appropriated to the Education Trust Fund; authorizing certain counties to
17 impose certain requirements under certain circumstances; altering the
18 distribution of certain proceeds of video lottery terminals; altering the timing
19 for certain transfers of funds; altering the period of time and authorized use for
20 certain local impact grants; extending certain reporting requirements; altering
21 the staffing for the Video Lottery Facility Location Commission; repealing
22 certain limitations on a certain video lottery facility; requiring certain
23 applicants for a video lottery operation license to take certain steps before being
24 awarded a license; requiring the Governor's Office of Minority Affairs, in
25 consultation with the Office of the Attorney General, to provide certain
26 assistance; requiring certain proceedings before the Board of Contract Appeals
27 to proceed in a certain manner; authorizing certain petitions for judicial review
28 to be heard in certain circuit courts; requiring that certain proceedings related
29 to certain petitions for judicial review proceed in a certain manner under
30 certain circumstances; authorizing certain parties to certain proceedings related
31 to certain petitions for judicial review to appeal the decision of the circuit court

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



in a certain manner; prohibiting certain persons from making certain contributions under certain circumstances; authorizing, subject to a certain contingency, the use and regulation of table games in the State; authorizing, subject to a certain contingency, an additional license to operate a video lottery facility in the State and additional video lottery terminal devices; prohibiting a certain fee under certain circumstances; prohibiting the operation of certain video lottery terminals in a certain location before a certain date; repealing, subject to a certain contingency, a limitation on the hours of operation of a video lottery facility; providing, subject to a certain contingency, for the distribution of proceeds from table games and video lottery terminals; authorizing the State Lottery and Gaming Control Commission to adjust the distribution of proceeds from video lottery terminals after a certain license is awarded under certain circumstances and subject to a certain reporting requirement; altering, subject to a certain contingency, the distribution of proceeds from video lottery terminals, including certain impact grants; altering, subject to a certain contingency, the distribution of certain local impact grants; requiring, subject to a certain contingency, the State Lottery and Gaming Control Commission to take certain actions; declaring the intent of the General Assembly; requiring that certain persons submit certain campaign finance statements in a certain manner; requiring the State Board of Elections to take certain actions; providing for the expiration of the terms of the members of the State Lottery Commission and for the staggering of the terms of the initial members of the State Lottery and Gaming Control Commission; authorizing the applicant for a video lottery operation license in Prince George's County to request that the Video Lottery Facility Location Commission authorize a temporary table games facility upon the award of a video lottery operation license; requiring the State Lottery and Gaming Control Commission to make certain recommendations and prepare certain reports; providing for the transfer of certain functions, powers, duties, equipment, assets, liabilities, employees, and appropriations under certain circumstances; providing for certain employee rights if transferred; providing for the continuity of certain transactions, rights, duties, and interests; providing for the continuity of certain laws, rules and regulations, standards and guidelines, policies, orders and other directives, forms, plans, contracts, property, investigations, administrative and judicial responsibilities, rights, duties, and responsibilities; specifying that the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, shall correct certain cross-references and terminology; defining certain terms; altering certain definitions; submitting certain provisions of this Act to a referendum of the qualified voters of the State; providing for the effective dates of this Act; making certain provisions of this Act subject to certain contingencies; and generally relating to authorizing and regulating gaming in the State.

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–101(a) and 9–1A–01(a)
Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–101(b) and (c), 9–103, 9–104, 9–105, 9–108, 9–109, 9–1A–01(k), (r),
and (u)(2), 9–1A–02(c)(1) and (d), 9–1A–04(d), 9–1A–05(a), (c), and (d)(4),
9–1A–06(a), 9–1A–10, 9–1A–11(c)(1) and (d)(2)(i), 9–1A–15(a) and (d),
9–1A–18(a), 9–1A–21(a), 9–1A–23(a), 9–1A–24(c), 9–1A–26, 9–1A–27,
9–1A–29(k), 9–1A–31(a) and (b), and 9–1A–36(e), (f), (h)(1) and (3), (i)(1)
and (3), and (l) through (s)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY adding to

Article – State Government

Section 9–1A–01(w–1) and (w–2), 9–1A–02(b)(3), 9–1A–36(l), and 9–1A–37

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY adding to

Article – Courts and Judicial Proceedings

Section 12–309

Annotated Code of Maryland

(2006 Replacement Volume and 2011 Supplement)

BY adding to

Article – Election Law

Section 13–237

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–1A–01(u), 9–1A–04, 9–1A–27, 9–1A–31(a) and (b), and 9–1A–36(r)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – Election Law

Section 13–237(a)(2), (6), and (7)

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)

(As enacted by Section 1 of this Act)

BY adding to

Article – Election Law

Section 13–237(a)(6)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)
(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–27
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)
(As enacted by Section 2 of this Act)

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

Article – State Government

9–101.

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

(b) “Agency” means the State Lottery **AND GAMING CONTROL** Agency.

(c) “Commission” means the State Lottery **AND GAMING CONTROL**
Commission.

9–103.

There is a State Lottery **AND GAMING CONTROL** Agency.

9–104.

There is a State Lottery **AND GAMING CONTROL** Commission in the Agency.

9–105.

(a) The Commission consists of [nine] **SEVEN** members appointed by the
Governor with the advice and consent of the Senate.

(b) (1) At the time of appointment, each member of the Commission shall
be:

(i) at least 25 years old;

(ii) a resident of the State who has resided in the State for at
least 5 years;

(iii) a qualified voter of the State; [and]

(iv) an individual who has not been convicted of or granted probation before judgment for a serious crime or a crime that involves moral turpitude or gambling; AND

(V) KNOWLEDGEABLE AND EXPERIENCED IN FISCAL MATTERS AND SHALL HAVE SUBSTANTIAL EXPERIENCE:

1. AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

2. IN AN ACADEMIC FIELD RELATING TO FINANCE OR ECONOMICS; OR

3. AS AN ACCOUNTANT, ECONOMIST, OR FINANCIAL ANALYST, OR AS A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR ECONOMICS.

(2) A member of the Commission may not:

(i) have a direct or indirect financial interest, **OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING [in] HORSE RACING, video lottery terminals, TABLE GAMES, OR LOTTERY;**

(ii) have an official relationship to a person who holds a license under Subtitle 1A of this title;

[(iii) hold any stocks, bonds, or other financial interest in a person holding a license under Subtitle 1A of this title; or]

[(iv)] **(III)** be an elected official of State or local government;

(IV) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING, VIDEO LOTTERY TERMINALS, TABLE GAMES, OR LOTTERY; OR

(V) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMING ACTIVITY.

(3) No more than ~~[six]~~ **FIVE** members may be of the same political party.

(4) The members of the Commission shall reflect the geographic, racial, and gender makeup of the State.

(5) A MEMBER OF THE COMMISSION SHALL FILE A FINANCIAL DISCLOSURE STATEMENT WITH THE STATE ETHICS COMMISSION IN ACCORDANCE WITH TITLE 15, SUBTITLE 6 OF THIS ARTICLE.

~~[(c)]~~ The Commission shall include:

(1) one member with experience in law enforcement;

(2) one member with experience in a field relating to finance or investments;

(3) one member who is a certified public accountant; and

(4) one member with experience in a field of information technology.]

~~[(d)]~~ **(C)** (1) The term of a member is ~~[4]~~ **5** years.

(2) The terms of members are staggered **AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON OCTOBER 1, 2012.**

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

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

(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO FULL TERMS.

~~[(e)]~~ **(D)** (1) Subject to the hearing requirements of this subsection, the Governor may remove a member for cause.

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

[(f)] (E) The Governor shall appoint one member of the Commission to serve as a liaison to the State Racing Commission established under Title 11 of the Business Regulation Article.

9–108.

(a) (1) A majority of the full authorized membership of the Commission is a quorum.

(2) The Commission may not act unless at least 3 members concur.

(b) The Commission shall determine the times and places of its meetings.

(c) (1) The secretary of the Commission promptly shall send the Governor a certified copy of the minutes of each meeting of the Commission.

(2) The minutes shall include a copy of each regulation of the Agency that is adopted.

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

(1) may receive compensation; and

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

(1) EACH MEMBER OF THE COMMISSION IS ENTITLED TO:

(I) THE SALARY PROVIDED IN THE BUDGET OF THE COMMISSION; AND

(II) REIMBURSEMENT FOR REASONABLE EXPENSES:

1. INCURRED IN THE PERFORMANCE OF THE COMMISSION MEMBER'S DUTIES; AND

2. AS PROVIDED IN THE BUDGET OF THE COMMISSION.

(2) EACH MEMBER OF THE COMMISSION SHALL BE PAID BIWEEKLY.

(3) EACH MEMBER IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE BUDGET OF THE COMMISSION.

(e) (1) With the advice of the Commission, the Director may employ deputy directors and other staff in accordance with the State budget.

(2) Except as provided in paragraph (3) of this subsection or otherwise by law, the staff of the Commission is in the State Personnel Management System.

(3) A deputy director is in the executive service of the State Personnel Management System. However, a deputy director may be removed only for cause after being given notice and an opportunity for a hearing.

(4) (I) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET SUFFICIENT MONEY FOR THE COMMISSION TO HIRE, DEVELOP, AND ORGANIZE A STAFF TO PERFORM THE FUNCTIONS OF THE COMMISSION.

(II) AS DEEMED NECESSARY BY THE COMMISSION, THE COMMISSION SHALL HIRE EXPERTS INCLUDING ECONOMISTS, GAMING SPECIALISTS, AND LAWYERS.

(III) 1. THE COMMISSION SHALL CONTRACT WITH AN OUTSIDE CONSULTANT TO PROVIDE CONTINUAL ANALYSIS OF THE GAMING INDUSTRY BOTH WITHIN AND OUTSIDE THE STATE AND SUPPORT THE LICENSING ACTIVITIES OF THE COMMISSION AND THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

2. THE COST OF THE CONSULTANT REQUIRED UNDER THIS SUBPARAGRAPH MAY BE DIVIDED PROPORTIONALLY AMONG THE VIDEO LOTTERY OPERATION LICENSEES AS DETERMINED BY THE COMMISSION.

9–109.

(a) In addition to the specific powers granted and duties imposed by this subtitle, the Commission has the powers and duties set forth in this section.

(b) (1) The Commission [may] **SHALL** conduct studies of the State lottery **AND GAMING PROGRAM** to:

(i) identify any defect in this subtitle, **SUBTITLE 1A OF THIS TITLE**, or the regulations of the Agency that may allow abuses in the operation and administration of the State lottery **OR GAMING PROGRAM** or any evasion of this subtitle, **SUBTITLE 1A OF THIS TITLE**, or the regulations;

(ii) guard against the use of this subtitle, **SUBTITLE 1A OF THIS TITLE**, and the regulations of the Agency as a means of conducting organized crime; [and]

(iii) ensure that the regulations of the Agency are proper and that this subtitle, **SUBTITLE 1A OF THIS TITLE**, and the regulations are administered to serve the purpose of this subtitle; **AND**

1 (IV) ANALYZE THE GAMING INDUSTRY WITHIN AND OUTSIDE
2 THE STATE TO DETERMINE WHETHER MARYLAND'S GAMING PROGRAM IS
3 COMPETITIVE AND MAXIMIZING REVENUES FOR THE STATE.

4 (2) The Commission [may] SHALL conduct studies of:

5 (i) the operation and administration of similar laws in other
6 states or countries;

7 (ii) federal laws that may affect the operation of the State
8 lottery OR GAMING ACTIVITIES;

9 (iii) literature on lotteries AND GAMING ACTIVITIES,
10 INCLUDING PROBLEM GAMBLING PROGRAMS; and

11 (iv) the reaction of citizens of the State to existing and potential
12 features of the State lottery AND GAMING PROGRAM.

13 (c) (1) The Commission shall submit to the Governor and, subject to §
14 2-1246 of this article, to the General Assembly the reports required under this
15 subsection.

16 (2) The Commission shall submit monthly a report that states the
17 total State lottery AND GAMING revenues and the total prize disbursements and other
18 expenses for the preceding month.

19 (3) The Commission shall submit annually a report that states the
20 total State lottery AND GAMING revenues and the total prize disbursements and other
21 expenses for the preceding year.

22 (4) The Commission shall submit a report whenever a matter requires
23 an immediate change in a State law to:

24 (i) prevent an abuse or evasion of this subtitle, **SUBTITLE 1A**
25 **OF THIS TITLE**, or a regulation of the Agency; or

26 (ii) rectify an undesirable condition in the operation or
27 administration of the State lottery OR GAMING PROGRAM.

28 9-1A-01.

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

30 (k) "Commission" means the State Lottery AND GAMING CONTROL
31 Commission.

1 (u) (2) (i) Subject to subparagraph (ii) of this paragraph, “proceeds”
2 does not include money given away by a video lottery operation licensee as free
3 promotional play and used by players to bet in a video lottery terminal.

4 (ii) After the first fiscal year of operations, the exclusion
5 specified in subparagraph (i) of this paragraph may not exceed a percentage
6 established by the Commission by regulation of the proceeds received **FROM VIDEO**
7 **LOTTERY TERMINALS** in the prior fiscal year by the video lottery operation licensee
8 under § 9–1A–27(a)(2) and [(b)(1)(ii)] **(C)(1)(II)** of this subtitle.

9 9–1A–02.

10 (c) (1) This subtitle authorizes the operation of video lottery terminals
11 [owned or leased by the State] that are connected to a central monitor and control
12 system owned or leased by the State that allows the Commission to monitor a video
13 lottery terminal.

14 9–1A–04.

15 (d) The Commission shall adopt regulations that include the following
16 specific provisions in accordance with this subtitle:

17 (1) establishing the methods and forms of application that an
18 applicant for any license required under this subtitle shall follow and complete before
19 consideration of the application by the Commission;

20 (2) establishing the methods, procedures, and form for delivery of
21 information from an applicant or licensee concerning any person’s family, habits,
22 character, associates, criminal record, business activities, and financial affairs;

23 (3) establishing the procedures for the fingerprinting of an applicant
24 for any license required under this subtitle or other methods of identification that may
25 be necessary in the judgment of the Commission to accomplish effective enforcement of
26 the provisions of this subtitle;

27 (4) establishing the manner and procedure of hearings conducted by
28 the Commission;

29 (5) establishing the manner and method of collection of taxes, fees,
30 and civil penalties;

31 (6) defining and limiting the areas of operation for video lottery
32 terminals, rules of video lottery terminals, odds for video lottery terminals, the types
33 and values of promotional items that may be given away to encourage play of video
34 lottery terminals, and the method of operation of the video lottery terminals;

(7) regulating the practice and procedures for negotiable transactions involving players, including limitations on the circumstances and amounts of negotiable transactions and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

(8) prescribing the grounds and procedures for reprimands of licensees or the revocation or suspension of licenses issued under this subtitle;

(9) governing the manufacture, distribution, sale, and servicing of video lottery terminals;

(10) establishing the procedures, forms, and methods of management controls;

(11) providing for minimum uniform standards of accountancy methods, procedures, and forms as are necessary to assure consistency, comparability, and effective disclosure of all financial information, including percentages of profit for video lottery terminals;

(12) establishing periodic financial reports and the form of the reports, including an annual audit prepared by a certified public accountant licensed to do business in the State, disclosing whether the accounts, records, and control procedures examined are maintained by the video lottery operation licensee as required by this subtitle and the regulations that shall be issued under this subtitle;

(13) requiring licensees under this subtitle to demonstrate and maintain financial viability;

(14) ensuring that the operation of video lottery terminals and video lottery facilities is conducted legally;

(15) ESTABLISHING PROCEDURES FOR THE REMOVAL OF VIDEO LOTTERY TERMINALS FROM A VIDEO LOTTERY FACILITY; and

[(15)] (16) otherwise carrying out the provisions of this subtitle.

9–1A–05.

(c) A video lottery operation license issued under this subtitle is not valid at a geographic location other than the geographic location authorized in the license awarded by the Video Lottery Facility Location Commission and issued by the State Lottery **AND GAMING CONTROL** Commission.

(4) Notwithstanding paragraphs (1) and (2) of this subsection, an individual or business entity may enter into a management agreement to operate a facility located in Allegany County that it does not own, subject to the approval of the

Video Lottery Facility Location Commission and the State Lottery **AND GAMING CONTROL** Commission.

9–1A–10.

(a) (1) For the construction and procurement related to the operation of video lottery terminals, the applicant or licensee shall at a minimum meet the same requirements of a designated unit for minority business participation as described under Title 14, Subtitle 3 of the State Finance and Procurement Article.

(2) If the county in which a video lottery facility will be located has higher minority business participation requirements than the State as described in paragraph (1) of this subsection, the applicant shall meet the county's minority business participation requirements to the extent possible.

(3) A COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE LOCATED MAY IMPOSE LOCAL BUSINESS, LOCAL MINORITY BUSINESS PARTICIPATION, AND LOCAL HIRING REQUIREMENTS TO THE EXTENT AUTHORIZED BY LOCAL LAW AND PERMITTED BY THE UNITED STATES CONSTITUTION.

~~[(3)]~~ (4) Any collective bargaining agreement or agreements, including a project labor agreement or a neutrality agreement, entered into by an applicant or licensee may not negate the requirements of this subsection.

~~[(4)]~~ (5) If an applicant for employment at a video lottery facility believes that the applicant has been discriminated against in the employment process, the applicant may appeal the employment decision to the local human relations board in the county where the facility is located.

~~[(5)]~~ (6) Notwithstanding any collective bargaining agreement or agreements, a licensee shall:

- (i) provide health insurance coverage for its employees; and
- (ii) give a preference to hiring qualified employees from the communities within 10 miles of the video lottery facility.

~~[(6)]~~ (7) A licensee shall:

- (i) provide retirement benefits for its employees; and
- (ii) if the licensee is a racetrack licensee, provide retirement benefits to its video lottery operation employees that are equivalent to the level of benefits provided to the racetrack employees who are eligible under the Maryland Racetrack Employees Pension Fund.

1 ~~[(7)]~~ **(8)** Notwithstanding any collective bargaining agreement or
2 agreements, if the licensee is a racetrack location, the licensee shall provide health
3 insurance coverage to all employees of the racetrack, including the employees of the
4 racetrack on the backstretch of the racetrack.

5 (b) (1) The Commission shall ensure that a video lottery operation
6 licensee complies with the requirements of subsection (a)(1) and (2) of this section as a
7 condition of holding the video lottery operation license.

8 (2) The Governor's Office of Minority Affairs shall monitor a licensee's
9 compliance with subsection (a)(1) and (2) of this section.

10 (3) The Governor's Office of Minority Affairs shall report to the
11 Commission at least every 6 months on the compliance of licensees with subsection
12 (a)(1) and (2) of this section.

13 (4) If the Governor's Office of Minority Affairs reports that a licensee
14 is not in compliance with subsection (a)(1) and (2) of this section, the Commission may
15 take immediate action to ensure the compliance of the licensee.

16 (c) On or after July 1, 2018, the provisions of subsections (a)(1) and (2) and
17 (b) of this section and any regulations adopted under subsections (a)(1) and (2) and (b)
18 of this section shall be of no effect and may not be enforced.

19 9-1A-11.

20 (c) (1) Nothing in this subtitle may be construed to prohibit a video
21 lottery operation licensee that is issued a license from beginning video lottery terminal
22 operations in a temporary facility that meets the minimum requirements established
23 in regulations adopted by the State Lottery **AND GAMING CONTROL** Commission.

24 (d) (2) (i) Subject to subparagraph (ii) of this paragraph, for a location
25 in Allegany County, if video lottery terminals are permanently located in the Rocky
26 Gap Lodge and Resort and existing meeting space is eliminated as a result of the video
27 lottery terminals, the licensee shall provide for meeting space that is accessible from
28 the Rocky Gap Lodge and Resort within 36 months after issuance of the video lottery
29 operation license, subject to the approval of the Video Lottery Facility Location
30 Commission and the State Lottery **AND GAMING CONTROL** Commission.

31 9-1A-21.

32 (a) **(1)** ~~[Each video lottery terminal device, the]~~ **THE** central monitor and
33 control ~~[system,]~~ **SYSTEM** and the associated equipment and software shall be:

34 **[(1)] (I)** owned or leased by the Commission; and

1 ~~[(2)]~~ (II) under the control of the Commission.

2 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III)
3 OF THIS PARAGRAPH, EACH VIDEO LOTTERY TERMINAL DEVICE AND THE
4 ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE OWNED OR LEASED BY THE
5 VIDEO LOTTERY FACILITY.

6 (II) FOR A VIDEO LOTTERY FACILITY LOCATED IN
7 ALLEGANY COUNTY OR WORCESTER COUNTY, EACH VIDEO LOTTERY TERMINAL
8 DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE OWNED
9 OR LEASED BY THE COMMISSION.

10 (III) FOR A VIDEO LOTTERY FACILITY LOCATED IN ANNE
11 ARUNDEL COUNTY OR CECIL COUNTY, THE COMMISSION SHALL OWN EACH
12 VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND
13 SOFTWARE THROUGH MARCH 31, 2015.

14 (3) THE SAVINGS THAT ARE ATTRIBUTABLE TO REQUIRING VIDEO
15 LOTTERY FACILITIES TO OWN OR LEASE THE VIDEO LOTTERY TERMINALS AND
16 ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE APPROPRIATED TO THE
17 EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE
18 IN THE YEAR IN WHICH THE SPENDING WOULD HAVE OTHERWISE OCCURRED.

19 9-1A-27.

20 (a) Except as provided in [subsection (b)] SUBSECTIONS (B) AND (C) of this
21 section, on a properly approved transmittal prepared by the Commission, the
22 Comptroller shall pay the following amounts from the proceeds of video lottery
23 terminals at each video lottery facility:

24 (1) (I) ON OR BEFORE MARCH 31, 2015, 2% to the State Lottery
25 AND GAMING CONTROL Agency for costs as defined in § 9-1A-01 of this subtitle;
26 AND

27 (II) BEGINNING APRIL 1, 2015, 1% TO THE STATE LOTTERY
28 AND GAMING CONTROL AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS
29 SUBTITLE;

30 (2) to the video lottery operation licensee, the percentage stated in the
31 accepted application for the location, not to exceed, EXCEPT AS PROVIDED IN
32 SUBSECTION (B) OF THIS SECTION, 33%;

33 (3) 5.5% in local impact grants, in accordance with § 9-1A-31 of this
34 subtitle;

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

(5) for the first ~~[8]~~ **16** years of operations at a video lottery facility, ~~[2.5%]~~ **1%** to the Racetrack Facility Renewal Account established under § 9–1A–29 of this subtitle, not to exceed a total of ~~[\$40,000,000]~~ **\$20,000,000** to the Account annually;

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

(7) 6% TO THE VIDEO LOTTERY OPERATION LICENSEE IF THE VIDEO LOTTERY OPERATION LICENSEE OWNS OR LEASES EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE; AND

(8) the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(B) (1) BEGINNING JULY 1, 2013, FOR A VIDEO LOTTERY FACILITY IN WORCESTER COUNTY WITH LESS THAN 1,000 VIDEO LOTTERY TERMINALS, THE PERCENTAGE IN SUBSECTION (A)(2) OF THIS SECTION IS EQUAL TO 43% PROVIDED THAT EACH YEAR AN AMOUNT EQUIVALENT TO 2.5% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY IS SPENT ON CAPITAL IMPROVEMENTS AT THE VIDEO LOTTERY FACILITY.

(2) AFTER THE FIRST 10 YEARS OF OPERATIONS AT A VIDEO LOTTERY FACILITY IN ALLEGANY COUNTY, THE PERCENTAGE:

(I) IN SUBSECTION (A)(2) OF THIS SECTION IS EQUAL TO 43% PROVIDED THAT EACH YEAR AN AMOUNT EQUIVALENT TO 2.5% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY IS SPENT ON CAPITAL IMPROVEMENTS AT THE VIDEO LOTTERY FACILITY; AND

(II) IN SUBSECTION (A)(1) OF THIS SECTION IS EQUAL TO 2%.

[(b)] (C) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(i) 2% to the State Lottery **AND GAMING CONTROL** Agency for costs as defined in § 9–1A–01 of this subtitle;

(ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

(iii) 2.75% in local impact grants, in accordance with § 9–1A–31 of this subtitle;

(iv) 2.5% to the Purse Dedication Account established under § 9–1A–28 of this subtitle;

(v) 0.75% to the Small, Minority, and Women–Owned Businesses Account established under § 9–1A–35 of this subtitle; and

(vi) the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the proceeds generated at the facility in Allegany County shall be allocated as provided in [subsection (a)] **SUBSECTIONS (A) AND (B)** of this section.

[(c)] (D) (1) If the costs of the State Lottery **AND GAMING CONTROL** Agency are less than the proceeds specified in subsection (a)(1) of this section, any amount not distributed to the State Lottery **AND GAMING CONTROL** Agency shall be paid to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(2) The costs of the Commission shall be as provided in the State budget.

9–1A–29.

(k) Any unencumbered funds remaining in the Racetrack Facility Renewal Account on July 1, **[2018,] 2026**, shall be paid to the Education Trust Fund established under § 9–1A–30 of this subtitle.

9–1A–31.

(a) (1) The local impact grants provided under § 9–1A–27 of this subtitle shall be distributed in the following manner:

(i) 82% to the local jurisdictions with video lottery facilities, based on each jurisdiction's percentage of overall gross revenues from video lottery terminals; and

(ii) except as provided in paragraph (2) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year **[2027] 2032**, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection (d) of

1 this section, to be distributed primarily for capital projects benefiting economic and
2 community development in the following manner:

3 1. at least 75% in a manner that is consistent with the
4 Park Heights Master Plan; and

5 2. the remainder dedicated to the needs of:

6 A. any census blockgroup that Baltimore City identifies
7 as being located partly or entirely within 1 mile of Pimlico Race Course but not within
8 the boundaries of the Park Heights Master Plan; and

9 B. any neighborhood included in the Northwest
10 Community Planning Forum Strategic Neighborhood Action Plan.

11 (2) (i) Of the amount specified under paragraph (1)(ii) of this
12 subsection, \$1,000,000 shall be provided annually to Prince George's County to be used
13 for capital projects in the community within 10 miles surrounding Rosecroft Raceway.

14 (ii) The Legislative Policy Committee shall report its findings
15 and recommendations concerning the advisability of the continuation of the
16 distribution of funds after fiscal year **[2027] 2032** to the Comptroller and, in
17 accordance with § 2-1246 of this article, the General Assembly, on or before November
18 1, **[2025] 2030**.

19 (3) Baltimore City and Prince George's County shall report to the
20 Legislative Policy Committee by December 31 of each year as to the distribution of the
21 funds provided under this section.

22 (b) (1) Except as otherwise provided in paragraph (2) of this subsection,
23 local impact grants provided under subsection (a)(1)(i) of this section shall be used for
24 improvements **PRIMARILY** in the communities in immediate proximity to the video
25 lottery facilities and may be used for the following purposes:

26 (i) infrastructure improvements;

27 (ii) facilities;

28 (iii) public safety;

29 (iv) sanitation;

30 (v) economic and community development, including housing;
31 and

32 (vi) other public services and improvements.

(2) In Allegany County, local impact grants provided under subsection (a)(1)(i) of this section may be used:

(i) for purposes listed in paragraph (1) of this subsection throughout the county; and

(ii) to pay down the debt incurred by the county in the construction and related costs for the golf course, lodge, and other improvements in Rocky Gap State Park.

9–1A–36.

(e) [(1)] The **STATE LOTTERY AND GAMING CONTROL** Commission [and the Department of Legislative Services] shall provide staff to the Video Lottery Facility Location Commission.

[(2)] The Department of Legislative Services shall contract with an independent consultant that has at least 10 years substantial experience in consulting on matters relating to the gaming industry to assist and advise the Video Lottery Facility Location Commission in the review and analysis of applications submitted under this section.]

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

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

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

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

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

1 A. live fireworks displays to be conducted on the
2 property; and

3 B. a single piano that is played by an individual].

4 (ii) The prohibitions under subparagraph (i) of this paragraph
5 apply to any subsequent holder of a video lottery operation license awarded under
6 paragraph (1)(iv) of this subsection.

7 (i) (3) (i) Beginning with the termination date for the Video Lottery
8 Facility Location Commission and every 3 years thereafter, if all of the video lottery
9 terminals authorized under this subtitle are not allocated or have been allocated but
10 are not in regular operation, the State Lottery AND **GAMING CONTROL** Commission
11 may allocate or reallocate video lottery terminals to video lottery operation licensees in
12 a manner that ensures that the highest potential revenues are achieved.

13 (ii) In determining the highest potential revenues to be achieved
14 by additional video lottery terminals at each potential location, the State Lottery AND
15 **GAMING CONTROL** Commission shall consider the market performance of the
16 existing video lottery terminals at each location.

17 **(L) (1) IF AN APPLICANT IS SEEKING INVESTORS IN THE ENTITY**
18 **APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE, IT SHALL TAKE THE**
19 **FOLLOWING STEPS BEFORE BEING AWARDED A LICENSE BY THE VIDEO**
20 **LOTTERY FACILITY LOCATION COMMISSION:**

21 **(I) MAKE SERIOUS, GOOD-FAITH EFFORTS TO SOLICIT AND**
22 **INTERVIEW A REASONABLE NUMBER OF MINORITY INVESTORS;**

23 **(II) AS PART OF THE APPLICATION, SUBMIT A STATEMENT**
24 **THAT LISTS THE NAMES AND ADDRESSES OF ALL MINORITY INVESTORS**
25 **INTERVIEWED AND WHETHER OR NOT ANY OF THOSE INVESTORS HAVE**
26 **PURCHASED AN EQUITY SHARE IN THE ENTITY SUBMITTING AN APPLICATION;**
27 **AND**

28 **(III) IF AN APPLICANT IS AWARDED A LICENSE BY THE VIDEO**
29 **LOTTERY FACILITY LOCATION COMMISSION, THE APPLICANT SHALL SIGN A**
30 **MEMORANDUM OF UNDERSTANDING WITH THE VIDEO LOTTERY FACILITY**
31 **LOCATION COMMISSION THAT REQUIRES THE AWARDEE TO AGAIN MAKE**
32 **SERIOUS, GOOD-FAITH EFFORTS TO INTERVIEW MINORITY INVESTORS IN ANY**
33 **FUTURE ATTEMPTS TO RAISE VENTURE CAPITAL OR ATTRACT NEW INVESTORS**
34 **TO THE ENTITY AWARDED THE LICENSE.**

35 **(2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, IN**
36 **CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL, SHALL**

1 **PROVIDE ASSISTANCE TO ALL POTENTIAL APPLICANTS AND POTENTIAL**
2 **MINORITY INVESTORS TO SATISFY THE REQUIREMENTS UNDER PARAGRAPH**
3 **(1)(I) AND (III) OF THIS SUBSECTION.**

4 **[(l)] (M)** The Video Lottery Facility Location Commission may not award a
5 video lottery operation license to a person that is not qualified under this section or
6 this subtitle.

7 **[(m)] (N)** (1) The Video Lottery Facility Location Commission shall refer
8 to the State Lottery **AND GAMING CONTROL** Commission the name and all relevant
9 information concerning a person that makes an application under this section.

10 (2) On receipt of the information in paragraph (1) of this subsection,
11 the State Lottery **AND GAMING CONTROL** Commission shall evaluate whether an
12 applicant is qualified to hold a video lottery operation license under this subtitle.

13 (3) On completion of its determination, the State Lottery **AND**
14 **GAMING CONTROL** Commission shall notify the Video Lottery Facility Location
15 Commission of its evaluation as to whether an applicant is qualified to hold a video
16 lottery operation license under this subtitle.

17 **[(n)] (O)** After an award of a video lottery operation license under this
18 section, the Video Lottery Facility Location Commission shall notify the State Lottery
19 **AND GAMING CONTROL** Commission of the successful applicants.

20 **[(o)] (P)** After an award of a video lottery operation license under this
21 section, the State Lottery **AND GAMING CONTROL** Commission shall:

22 (1) issue the video lottery operation license; and

23 (2) be responsible for all matters relating to regulation of the licensee.

24 **[(p)] (Q)** (1) An unsuccessful applicant for a video lottery operation
25 license under this section may seek, under Title 15 of the State Finance and
26 Procurement Article, review by the State Board of Contract Appeals of the awarding of
27 the video lottery operation license by the Video Lottery Facility Location Commission.

28 (2) **A PROCEEDING UNDER THIS SUBSECTION SHALL:**

29 (I) **TAKE PRECEDENCE ON THE BOARD'S DOCKET;**

30 (II) **BE HEARD AT THE EARLIEST PRACTICABLE DATE; AND**

31 (III) **BE EXPEDITED IN EVERY WAY.**

1 **[(q)] (R)** (1) Nothing in this subtitle may be construed to require the
2 Video Lottery Facility Location Commission to award all five video lottery operation
3 licenses authorized under this subtitle.

4 (2) Notwithstanding any of the provisions of this subtitle, the Video
5 Lottery Facility Location Commission may not award a video lottery operation license
6 under this subtitle unless the Video Lottery Facility Location Commission determines
7 and declares that an applicant selected for award of the license is in the public interest
8 and is consistent with the purposes of this subtitle.

9 **[(r)] (S)** The Video Lottery Facility Location Commission may award a
10 video lottery operation license that is revoked or surrendered utilizing the criteria
11 established in this subtitle.

12 **[(s)] (T)** (1) Except as provided in paragraph (2) of this subsection, the
13 Video Lottery Facility Location Commission shall terminate on January 1, 2015.

14 (2) The Governor may reconstitute the Video Lottery Facility Location
15 Commission, which shall include the appointment of new members based on the
16 criteria established under subsections (b) and (c) of this section:

17 (i) one year prior to the expiration of a video lottery operation
18 license; or

19 (ii) following the revocation or surrender of a video lottery
20 operation license.

21 **9-1A-37.**

22 **(A) (1) THE COMMISSION MAY CONSIDER AND MAKE**
23 **RECOMMENDATIONS ON PROPOSED CHANGES TO THIS SUBTITLE, SUBTITLE 1**
24 **OF THIS TITLE, AND ANY PROVISIONS OF ARTICLE 2B OF THE CODE THAT**
25 **RELATE TO THE REGULATION OF ALCOHOLIC BEVERAGES AT VIDEO LOTTERY**
26 **FACILITIES.**

27 **(2) ON REQUEST OF THE GOVERNOR OR THE PRESIDING OFFICER**
28 **OF EITHER HOUSE OF THE GENERAL ASSEMBLY, THE COMMISSION SHALL**
29 **CONSIDER AND MAKE RECOMMENDATIONS ON PROPOSED CHANGES TO THIS**
30 **SUBTITLE, SUBTITLE 1 OF THIS TITLE, AND ANY PROVISIONS OF ARTICLE 2B OF**
31 **THE CODE THAT RELATE TO THE REGULATION OF ALCOHOLIC BEVERAGES AT**
32 **VIDEO LOTTERY FACILITIES.**

33 **(3) A VIDEO LOTTERY FACILITY MAY REQUEST THAT THE**
34 **COMMISSION CONSIDER AND MAKE RECOMMENDATIONS ON PROPOSED**
35 **CHANGES TO THIS SUBTITLE AND ANY PROVISIONS OF ARTICLE 2B OF THE**

1 **CODE THAT RELATE TO THE REGULATION OF ALCOHOLIC BEVERAGES AT VIDEO**
2 **LOTTERY FACILITIES.**

3 **(B) (1) THE COMMISSION MAY RECOMMEND OR PROPOSE**
4 **LEGISLATION ON ANY MATTER WITHIN OR RELATED TO THE JURISDICTION OF**
5 **THE COMMISSION.**

6 **(2) THE COMMISSION SHALL REVIEW AND COMMENT ON ANY**
7 **LEGISLATION INTRODUCED DURING A SESSION OF THE GENERAL ASSEMBLY**
8 **THAT RELATES TO A MATTER WITHIN THE JURISDICTION OF THE COMMISSION.**

9 **Article – Courts and Judicial Proceedings**

10 **12–309.**

11 **(A) A PETITION FOR JUDICIAL REVIEW OF A FINAL DECISION BY THE**
12 **STATE BOARD OF CONTRACT APPEALS IN AN APPEAL FROM THE AWARD OF A**
13 **VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO LOTTERY FACILITY**
14 **LOCATION COMMISSION MAY BE HEARD IN THE CIRCUIT COURT OF ANY**
15 **COUNTY IN WHICH VENUE WOULD BE APPROPRIATE UNDER § 6–201 OF THIS**
16 **ARTICLE.**

17 **(B) EXCEPT FOR CASES THAT THE COURT CONSIDERS TO REQUIRE A**
18 **HIGHER PRIORITY, A PROCEEDING UNDER THIS SECTION, INCLUDING ANY**
19 **SUBSEQUENT APPELLATE JUDICIAL REVIEW, SHALL:**

20 **(1) TAKE PRECEDENCE ON THE COURT’S DOCKET;**

21 **(2) BE HEARD AT THE EARLIEST PRACTICABLE DATE; AND**

22 **(3) BE EXPEDITED IN EVERY WAY.**

23 **(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PARTY TO A**
24 **PROCEEDING UNDER THIS SECTION MAY APPEAL THE DECISION OF THE**
25 **CIRCUIT COURT ONLY BY A PETITION TO THE COURT OF APPEALS FOR THE**
26 **ISSUANCE OF A WRIT OF CERTIORARI.**

27 **Article – Election Law**

28 **13–237.**

29 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
30 **MEANINGS INDICATED.**

1 (2) “GAMING ACTIVITY” MEANS VIDEO LOTTERY AUTHORIZED BY
2 THIS STATE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT
3 ARTICLE.

4 (3) “KEY EMPLOYEE” MEANS AN INDIVIDUAL WHO, ACTING AS AN
5 AGENT OR EMPLOYEE OF A PERSON OR LICENSEE, SUPERVISES MORE THAN TWO
6 AGENTS OR EMPLOYEES OF THE PERSON OR LICENSEE AUTHORIZED TO ENGAGE
7 IN GAMING ACTIVITY IN THIS STATE.

8 (4) “LICENSEE” HAS THE MEANING STATED IN § 9-1A-01 OF THE
9 STATE GOVERNMENT ARTICLE.

10 (5) “OWN” HAS THE MEANING STATED IN § 9-1A-01 OF THE
11 STATE GOVERNMENT ARTICLE.

12 (6) “VIDEO LOTTERY” HAS THE MEANING STATED IN § 9-1A-01
13 OF THE STATE GOVERNMENT ARTICLE.

14 (7) “VIDEO LOTTERY TERMINAL” HAS THE MEANING STATED IN §
15 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.

16 (B) THIS SECTION APPLIES TO THE FOLLOWING PERSONS:

17 (1) AN APPLICANT FOR A LICENSE TO ENGAGE IN GAMING
18 ACTIVITY IN THIS STATE;

19 (2) A LICENSEE OR OTHER PERSON AUTHORIZED TO ENGAGE IN
20 GAMING ACTIVITY IN THIS STATE;

21 (3) A HOLDING COMPANY, INTERMEDIARY COMPANY, OR A
22 SUBSIDIARY COMPANY OF:

23 (I) AN APPLICANT FOR A LICENSE TO ENGAGE IN GAMING
24 ACTIVITY IN THIS STATE; OR

25 (II) A LICENSEE OR OTHER PERSON AUTHORIZED TO
26 ENGAGE IN GAMING ACTIVITY IN THIS STATE;

27 (4) A KEY EMPLOYEE OF, OR PERSON OR AGENT ON BEHALF OF:

28 (I) AN APPLICANT FOR A LICENSE TO ENGAGE IN GAMING
29 ACTIVITY IN THIS STATE; OR

1 **(II) A LICENSEE OR OTHER PERSON AUTHORIZED TO**
2 **ENGAGE IN GAMING ACTIVITY IN THIS STATE; OR**

3 **(5) A PERSON WHO OWNS AN INTEREST IN THE OPERATION OF A**
4 **VIDEO LOTTERY TERMINAL OR OTHER GAMING ACTIVITY IN THIS STATE.**

5 **(C) THIS SECTION DOES NOT APPLY TO GAMING ACTIVITY THAT AN**
6 **ELIGIBLE ORGANIZATION IS AUTHORIZED TO CONDUCT UNDER THE CRIMINAL**
7 **LAW ARTICLE.**

8 **(D) A PERSON SUBJECT TO THIS SECTION MAY NOT, DIRECTLY OR**
9 **INDIRECTLY, MAKE A CONTRIBUTION TO:**

10 **(1) THE CAMPAIGN FINANCE ENTITY OF A CANDIDATE FOR ANY**
11 **PUBLIC OFFICE IN THE STATE;**

12 **(2) THE CAMPAIGN FINANCE ENTITY OF A POLITICAL PARTY; OR**

13 **(3) ANY OTHER CAMPAIGN FINANCE ENTITY ORGANIZED IN**
14 **SUPPORT OF:**

15 **(I) A CANDIDATE FOR ANY PUBLIC OFFICE IN THE STATE;**
16 **OR**

17 **(II) A POLITICAL PARTY.**

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

20 **Article – State Government**

21 9–1A–01.

22 (r) “Manufacturer” means a person:

23 (1) **(I)** that is engaged in the business of designing, building,
24 constructing, assembling, manufacturing, or distributing a central monitor and control
25 system, video lottery terminals, associated equipment or software, or the cabinet in
26 which a video lottery terminal is housed;

27 [(2)] **(II)** that produces a product that is intended for sale, lease, or
28 other assignment to the Commission or a licensee; and

1 **[(3)] (III)** that contracts with the Commission or a licensee for the
2 sale, lease, or other assignment of a product described in [paragraph (1) of this
3 subsection] **ITEM (I) OF THIS ITEM; OR**

4 **(2) (I)** THAT IS ENGAGED IN THE BUSINESS OF DESIGNING,
5 BUILDING, CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING
6 TABLE GAMES OR TABLE GAME EQUIPMENT;

7 **(II)** THAT PRODUCES A PRODUCT RELATED TO TABLE
8 GAMES THAT IS INTENDED FOR SALE, LEASE, OR OTHER ASSIGNMENT TO A
9 LICENSEE; AND

10 **(III)** THAT CONTRACTS WITH A LICENSEE FOR THE SALE,
11 LEASE, OR OTHER ASSIGNMENT OF A PRODUCT DESCRIBED IN ITEM (I) OF THIS
12 ITEM.

13 (u) (1) “Proceeds” means the part of the amount of money bet through
14 video lottery terminals AND TABLE GAMES that is not returned to successful players
15 but is otherwise allocated under this subtitle.

16 (2) (i) Subject to subparagraph (ii) of this paragraph, “proceeds”
17 does not include money given away by a video lottery operation licensee as free
18 promotional play and used by players to bet in a video lottery terminal.

19 (ii) After the first fiscal year of operations, the exclusion
20 specified in subparagraph (i) of this paragraph may not exceed a percentage
21 established by the Commission by regulation of the proceeds received from video
22 lottery terminals in the prior fiscal year by the video lottery operation licensee under §
23 9–1A–27(a)(2) and (c)(1)(ii) of this subtitle.

24 **(W-1)** “TABLE GAME EQUIPMENT” MEANS EQUIPMENT THAT IS
25 RELATED TO THE OPERATION OF TABLE GAMES AND THAT IS OWNED OR LEASED
26 BY THE VIDEO LOTTERY FACILITY AND LOCATED ON THE VIDEO LOTTERY
27 FACILITY’S PREMISES.

28 **(W-2)** “TABLE GAMES” MEANS:

29 **(1)** ROULETTE, BACCARAT, BLACKJACK, CRAPS, BIG SIX WHEEL,
30 MINIBACCARAT, POKER, PAI GOW POKER, AND SIC BO, OR ANY VARIATION AND
31 COMPOSITES OF SUCH GAMES; AND

32 **(2)** GAMING TOURNAMENTS IN WHICH PLAYERS COMPETE
33 AGAINST ONE ANOTHER IN ONE OR MORE OF THE GAMES AUTHORIZED UNDER
34 ITEM (1) OF THIS SUBSECTION.

1 9-1A-02.

2 (b) **(3) THE COMMISSION SHALL REGULATE THE OPERATION OF**
3 **TABLE GAMES IN ACCORDANCE WITH THIS SUBTITLE.**

4 (d) Only a person with a video lottery operation license issued under this
5 subtitle may offer a video lottery terminal **AND TABLE GAMES** for public use in the
6 State under this subtitle.

7 9-1A-04.

8 (a) The Commission shall:

9 (1) promptly and in reasonable order, make a determination on license
10 applications and causes affecting the granting or renewal of licenses under this
11 subtitle;

12 (2) issue licenses in accordance with this subtitle;

13 (3) after a hearing, promptly and in reasonable order, make a
14 determination on the suspension or revocation of licenses under this subtitle;

15 (4) after a hearing, suspend or revoke as applicable the license of a
16 licensee who has a license suspended or revoked in another state;

17 (5) conduct hearings concerning civil violations of this subtitle or
18 regulations issued under this subtitle;

19 (6) collect application, license, and other fees to cover the
20 administrative costs of this subtitle related to licensing;

21 (7) deposit application, license, and other fees to a bank account that
22 the State Treasurer designates to the credit of the State Lottery Fund to cover the
23 administrative costs of this subtitle related to licensing;

24 (8) levy and collect civil penalties for civil violations of the provisions
25 of this subtitle or regulations issued under this subtitle;

26 (9) be present at a video lottery operation through its employees and
27 agents at any time during the operation of any video lottery terminal **OR TABLE**
28 **GAME** for the purpose of certifying revenue from the video lottery terminals **OR**
29 **TABLE GAMES**, receiving complaints from the public, and conducting any other
30 investigation into the operation of the video lottery terminals **OR TABLE GAMES** and
31 the maintenance of the video lottery terminals and associated equipment and software
32 **AND TABLE GAMES AND TABLE GAME EQUIPMENT** as the Commission may deem
33 necessary and proper; [and]

1 (10) review and rule on any complaint by a licensee regarding any
2 investigative procedures of the Commission that are unnecessarily disruptive of video
3 lottery **AND TABLE GAMES** operations; **AND**

4 **(11) AUTHORIZE A HOLDER OF A VIDEO LOTTERY OPERATION**
5 **LICENSE UNDER THIS SUBTITLE TO OFFER TABLE GAMES TO THE PUBLIC IN THE**
6 **STATE.**

7 (b) The Commission may:

8 (1) issue subpoenas to compel the attendance of witnesses at any place
9 within the State in the course of any investigation or hearing under this subtitle;

10 (2) administer oaths and require testimony under oath before the
11 Commission in the course of any investigation or hearing conducted under this
12 subtitle;

13 (3) serve or cause to be served its process or notices in a manner
14 provided for service of process in civil actions under the Maryland Rules; and

15 (4) propound written interrogatories.

16 (c) Except as otherwise provided in this subtitle, the Commission shall
17 conduct a hearing in the same manner as specified in Title 10, Subtitle 2 of this
18 article.

19 (d) The Commission shall adopt regulations that include the following
20 specific provisions in accordance with this subtitle:

21 (1) establishing the methods and forms of application that an
22 applicant for any license required under this subtitle shall follow and complete before
23 consideration of the application by the Commission;

24 (2) establishing the methods, procedures, and form for delivery of
25 information from an applicant or licensee concerning any person's family, habits,
26 character, associates, criminal record, business activities, and financial affairs;

27 (3) establishing the procedures for the fingerprinting of an applicant
28 for any license required under this subtitle or other methods of identification that may
29 be necessary in the judgment of the Commission to accomplish effective enforcement of
30 the provisions of this subtitle;

31 (4) establishing the manner and procedure of hearings conducted by
32 the Commission;

1 (5) establishing the manner and method of collection of taxes, fees,
2 and civil penalties;

3 (6) defining and limiting the areas of operation for video lottery
4 terminals **AND TABLE GAMES**, rules of video lottery terminals **AND TABLE GAMES**,
5 odds for video lottery terminals **AND TABLE GAMES**, the types and values of
6 promotional items that may be given away to encourage play of video lottery terminals
7 **AND TABLE GAMES**, [and] the method of operation of the video lottery terminals **AND**
8 **TABLE GAMES, AND THE NUMBER AND TYPES OF TABLE GAMES;**

9 (7) regulating the practice and procedures for negotiable transactions
10 involving players, including limitations on the circumstances and amounts of
11 negotiable transactions and the establishment of forms and procedures for negotiable
12 instrument transactions, redemptions, and consolidations;

13 (8) prescribing the grounds and procedures for reprimands of licensees
14 or the revocation or suspension of licenses issued under this subtitle;

15 (9) governing the manufacture, distribution, sale, and servicing of
16 video lottery terminals **AND TABLE GAMES;**

17 (10) establishing the procedures, forms, and methods of management
18 controls;

19 (11) providing for minimum uniform standards of accountancy
20 methods, procedures, and forms as are necessary to assure consistency, comparability,
21 and effective disclosure of all financial information, including percentages of profit for
22 video lottery terminals **AND TABLE GAMES;**

23 (12) establishing periodic financial reports and the form of the reports,
24 including an annual audit prepared by a certified public accountant licensed to do
25 business in the State, disclosing whether the accounts, records, and control procedures
26 examined are maintained by the video lottery operation licensee as required by this
27 subtitle and the regulations that shall be issued under this subtitle;

28 (13) requiring licensees under this subtitle to demonstrate and
29 maintain financial viability;

30 (14) ensuring that the operation of video lottery terminals, **TABLE**
31 **GAMES**, and video lottery facilities is conducted legally;

32 (15) establishing procedures for the removal of video lottery terminals
33 from a video lottery facility; [and]

34 **(16) DETERMINING THE SUITABILITY OF:**

1 **(I) THE USE OF ANY VARIATIONS OR COMPOSITES OF THE**
2 **TABLE GAMES AUTHORIZED UNDER THIS SUBTITLE AFTER AN APPROPRIATE**
3 **TEST OR EXPERIMENTAL PERIOD UNDER TERMS AND CONDITIONS THAT THE**
4 **COMMISSION MAY DEEM APPROPRIATE; AND**

5 **(II) ANY OTHER GAME THAT IS COMPATIBLE WITH THE**
6 **PUBLIC INTEREST AND SUITABLE FOR CASINO USE AFTER AN APPROPRIATE**
7 **TEST OR EXPERIMENTAL PERIOD DEEMED APPROPRIATE BY THE COMMISSION;**

8 **(17) ESTABLISHING PROCEDURES FOR ACCOUNTING FOR ALL**
9 **MONEY EXCHANGED AT EACH TABLE GAME;**

10 **(18) ESTABLISHING THE NUMBER OF VIDEO LOTTERY TERMINALS**
11 **THAT MAY BE REMOVED FROM A VIDEO LOTTERY FACILITY TO ACCOMMODATE**
12 **TABLE GAMES; AND**

13 **[(16)] (19)** otherwise carrying out the provisions of this subtitle.

14 (e) (1) The Commission shall by regulation require an applicant or
15 licensee to file a bond for the benefit of the State for the faithful performance of the
16 requirements imposed by this subtitle and any regulations issued under this subtitle.

17 (2) An applicant or licensee shall obtain and submit satisfactory proof
18 of the bond to the Commission before a license is issued or reissued.

19 (3) The bonds furnished may be applied by the Commission to the
20 payment of an unpaid liability of the licensee.

21 (4) The Commission by regulation may exempt categories of video
22 lottery **AND TABLE GAME** employees who are not directly involved in the video lottery
23 **AND TABLE GAME** operations from the requirements of this subsection if the
24 Commission determines that the requirement is not necessary in order to protect the
25 public interest or accomplish the policies established under this subtitle.

26 (f) (1) The Commission shall promptly and thoroughly investigate all
27 applications and enforce this subtitle and regulations that are adopted under this
28 subtitle.

29 (2) The Commission and its employees and agents shall have the
30 authority, without notice and without warrant, to:

31 (i) inspect and examine all premises in which video lottery **AND**
32 **TABLE GAME** operations under this subtitle are conducted or any authorized **TABLE**
33 **GAMES, TABLE GAME EQUIPMENT**, video lottery terminals, central monitor and
34 control system, or associated equipment and software designed, built, constructed,

1 assembled, manufactured, sold, distributed, or serviced, or in which records of those
2 activities are prepared or maintained;

3 (ii) inspect any **TABLE GAMES, TABLE GAME EQUIPMENT,**
4 video lottery terminals, central monitor and control system, or associated equipment
5 and software in, about, on, or around those premises;

6 (iii) seize summarily and remove from those premises and
7 impound, or assume physical control of, any **TABLE GAMES, TABLE GAME**
8 **EQUIPMENT,** video lottery terminals, central monitor and control system, or
9 associated equipment and software for the purposes of examination and inspection;

10 (iv) inspect, examine, and audit books, records, and documents
11 concerning a licensee's video lottery **AND TABLE GAME** operations, including the
12 financial records of a parent corporation, subsidiary corporation, or similar business
13 entity; and

14 (v) seize, impound, or assume physical control of books, records,
15 ledgers, cash boxes and their contents, a counting room or its equipment, or other
16 physical objects relating to video lottery **OR TABLE GAME** operations.

17 (3) A licensee shall authorize any other person having financial
18 records relating to the licensee to provide those records to the Commission.

19 **(G) THE COMMISSION MAY NOT CHARGE A VIDEO LOTTERY FACILITY A**
20 **FEE TO OFFER TABLE GAMES.**

21 **(H) THE COMMISSION MAY NOT PERMIT THE OPERATION OF VIDEO**
22 **LOTTERY TERMINALS IN PRINCE GEORGE'S COUNTY BEFORE THE EARLIER OF**
23 **JULY 1, 2016, OR 30 MONTHS AFTER THE VIDEO LOTTERY FACILITY IN**
24 **BALTIMORE CITY IS OPEN TO THE PUBLIC.**

25 9-1A-05.

26 (a) The Video Lottery Facility Location Commission established under §
27 9-1A-36 of this subtitle may not:

28 (1) award more than [five] **SIX** video lottery operation licenses;

29 (2) award more than [15,000] **16,500** video lottery terminals for
30 operation at video lottery facilities in the State;

31 (3) subject to the requirements of § 9-1A-36(h) and (i) of this subtitle,
32 award more than 4,750 terminals for operation at any video lottery facility; and

33 (4) for a location in Allegany County:

1 (i) award a video lottery operation license to an applicant that
2 does not agree to purchase the Rocky Gap Lodge and Resort; and

3 (ii) notwithstanding § 9-1A-36(i)(2) of this subtitle, award more
4 than [1,000] **1,500** video lottery terminals for operation at a video lottery facility in
5 Allegany County.

6 9-1A-06.

7 (a) The following persons shall be licensed under this subtitle:

8 (1) a video lottery operator;

9 (2) a manufacturer;

10 (3) a person not licensed under item (1) or (2) of this subsection who
11 manages, operates, supplies, provides security for, or provides service, maintenance, or
12 repairs for video lottery terminals **OR TABLE GAMES**; and

13 (4) a video lottery employee.

14 9-1A-15.

15 (a) **(1)** Unless a manufacturer holds a valid manufacturer's license issued
16 by the Commission before conducting business with a licensee or the State, the
17 manufacturer may not offer any video lottery terminal, central monitor and control
18 system, associated equipment or software, or goods or services that directly relate to
19 the operation of video lottery terminals under this subtitle.

20 **(2) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER'S**
21 **LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A**
22 **LICENSEE, THE MANUFACTURER MAY NOT OFFER ANY TABLE GAMES OR TABLE**
23 **GAME EQUIPMENT UNDER THIS SUBTITLE.**

24 (d) **(1)** A manufacturer of the video lottery terminals, central monitor and
25 control system, and associated equipment and software shall manufacture or
26 distribute the video lottery terminals, central monitor and control system, and
27 associated equipment and software that meet specifications and procedures
28 established by the Commission.

29 **(2) A MANUFACTURER OF TABLE GAMES AND TABLE GAME**
30 **EQUIPMENT SHALL MANUFACTURE OR DISTRIBUTE THE TABLE GAMES AND**
31 **TABLE GAME EQUIPMENT THAT MEET SPECIFICATIONS AND PROCEDURES**
32 **ESTABLISHED BY THE COMMISSION.**

1 9-1A-18.

2 (a) Because the public has a vital interest in video lottery **AND TABLE GAME**
3 operations and has established a limited exception to the policy of the State concerning
4 gambling for private gain, participation in video lottery **AND TABLE GAME** operations
5 by a licensee under this subtitle shall be deemed a revocable privilege conditioned on
6 the proper and continued qualification of the licensee and on the discharge of the
7 affirmative responsibility of each licensee to provide to the regulatory and
8 investigatory authorities under this subtitle or any other provision of law, any
9 assistance and information necessary to assure that the policies declared by this
10 subtitle are achieved.

11 9-1A-23.

12 (a) [(1) Except as provided in paragraph (2) of this subsection, a video
13 lottery facility may operate daily from 8 a.m. to 2 a.m.

14 (2) A video lottery facility may extend operations until 4 a.m. on
15 Saturday and 4 a.m. on Sunday.] **A VIDEO LOTTERY FACILITY MAY OPERATE 24**
16 **HOURS A DAY.**

17 9-1A-24.

18 (c) A video lottery operation licensee shall ensure that intoxicated
19 individuals and individuals under the age of 21 years are not allowed to play video
20 lottery terminals **OR TABLE GAMES** and are not allowed in areas of the video lottery
21 facility where video lottery terminals **OR TABLE GAMES** are located.

22 9-1A-26.

23 (a) (1) Except as provided in paragraph (2) of this subsection, all proceeds
24 from the operation of video lottery terminals **AND TABLE GAMES** shall be
25 electronically transferred daily into the State Lottery Fund established under Subtitle
26 1 of this title and distributed as provided under § 9-1A-27 of this subtitle.

27 (2) The requirement under paragraph (1) of this subsection does not
28 apply on a day when State government is closed.

29 (b) (1) The Commission shall account to the Comptroller for all of the
30 revenue under this subtitle.

31 (2) The proceeds from video lottery terminals **AND TABLE GAMES**
32 shall be under the control of the Comptroller and shall be distributed as provided
33 under § 9-1A-27 of this subtitle.

(c) The admissions and amusement tax may not be imposed on any proceeds from the operation of video lottery terminals **AND TABLE GAMES.**

9-1A-27.

(a) Except as provided in subsections (b) and (c) of this section, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(1) (i) on or before March 31, 2015, 2% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle; and

(ii) beginning April 1, 2015, 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

(2) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed, except as provided in subsection (b) of this section, 33%;

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

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

(5) for the first 16 years of operations at a video lottery facility, 1% to the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle, not to exceed a total of \$20,000,000 to the Account annually;

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

(7) 6% to the video lottery operation licensee if the video lottery operation licensee owns or leases each video lottery terminal device and the associated equipment and software; [and]

(8) BEGINNING AFTER THE ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE FOR A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY, 5% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ANNE ARUNDEL COUNTY AND BALTIMORE CITY FOR:

(I) MARKETING, ADVERTISING, AND PROMOTIONAL COSTS REQUIRED UNDER § 9-1A-23 OF THIS SUBTITLE; AND

(II) CAPITAL IMPROVEMENTS AT THE VIDEO LOTTERY FACILITIES; AND

[(8)] (9) the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(b) (1) Beginning July 1, 2013, for a video lottery facility in Worcester County with less than 1,000 video lottery terminals, the percentage in subsection (a)(2) of this section is equal to 43% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the percentage:

(i) in subsection (a)(2) of this section is equal to 43% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility; and

(ii) in subsection (a)(1) of this section is equal to 2%.

(3) FOR A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY, THE PERCENTAGE IN SUBSECTION (A)(2) OF THIS SECTION STATED IN THE ACCEPTED APPLICATION FOR THE LOCATION MAY NOT EXCEED 38%.

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

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

(ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

(iii) 2.75% in local impact grants, in accordance with § 9–1A–31 of this subtitle;

(iv) 2.5% to the Purse Dedication Account established under § 9–1A–28 of this subtitle;

(v) 0.75% to the Small, Minority, and Women-Owned Businesses Account established under § 9–1A–35 of this subtitle; and

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

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the proceeds generated at the facility in Allegany County shall be allocated as provided in subsections (a) and (b) of this section.

(D) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY 80% OF THE PROCEEDS OF TABLE GAMES AT EACH VIDEO LOTTERY FACILITY TO THE VIDEO LOTTERY OPERATION LICENSEE AND THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

[(d)] (E) (1) If the costs of the State Lottery and Gaming Control Agency are less than the proceeds specified in subsection (a)(1) of this section, any amount not distributed to the State Lottery and Gaming Control Agency shall be paid to the Education Trust Fund established under § 9-1A-30 of this subtitle.

(2) The costs of the Commission shall be as provided in the State budget.

9-1A-36.

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

(h) (1) In order to qualify for a video lottery operation license under this section, a proposed video lottery facility shall be located in one of the following counties:

(i) a location in Anne Arundel County, within 2 miles of MD Route 295;

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

(iii) a location on State property associated with the Rocky Gap State Park in Allegany County;

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

(v) a location in Baltimore City that is:

1. located:

- 1 A. in a nonresidential area;
- 2 B. within one-half mile of Interstate 95;
- 3 C. within one-half mile of MD Route 295; and
- 4 D. on property that is owned by Baltimore City on the
- 5 date on which the application for a video lottery operation license is submitted; and

6 2. not adjacent to or within one-quarter mile of property

7 that is:

- 8 A. zoned for residential use; and
- 9 B. used for a residential dwelling on the date the
- 10 application for a video lottery operation license is submitted; **OR**

11 **(VI) A LOCATION IN PRINCE GEORGE’S COUNTY WITHIN 4**

12 **MILES OF THE INTERSECTION OF BOCK ROAD AND ST. BARNABAS ROAD.**

13 (i) (1) Except as provided in paragraphs (2) and (3) of this subsection, the

14 Video Lottery Facility Location Commission may not allocate more than the following

15 number of video lottery terminals for:

16 (i) a location in Anne Arundel County – 4,750 video lottery

17 terminals;

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

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

20 **(IV) A LOCATION IN PRINCE GEORGE’S COUNTY – 3,000**

21 **VIDEO LOTTERY TERMINALS;**

22 ~~[(iv)]~~ **(V)** a location in Rocky Gap State Park (Allegany County)

23 –~~[1,000]~~ **1,500** video lottery terminals; and

24 ~~[(v)]~~ **(VI)** a location in Worcester County – 2,500 video lottery

25 terminals.

26 (r) (1) Nothing in this subtitle may be construed to require the Video

27 Lottery Facility Location Commission to award all ~~[five]~~ **SIX** video lottery operation

28 licenses authorized under this subtitle.

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

9-1A-37.

(C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IF A VIDEO LOTTERY OPERATION LICENSE IS AWARDED TO A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY, THE COMMISSION MAY INCREASE FOR A VIDEO LOTTERY FACILITY LOCATED IN ANNE ARUNDEL COUNTY OR BALTIMORE CITY, BY NOT MORE THAN 5% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY, THE PERCENTAGE UNDER § 9-1A-27(A)(8) OF THIS SUBTITLE.

(2) (I) ON OR BEFORE JANUARY 1, 2015, THE COMMISSION SHALL DETERMINE ANY ADJUSTMENT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE PERCENTAGE UNDER § 9-1A-27(A)(8) OF THIS SUBTITLE.

(II) ANY ADJUSTMENT AUTHORIZED UNDER THIS SUBSECTION MAY NOT TAKE EFFECT:

1. UNTIL A VIDEO LOTTERY OPERATION LICENSE IS ISSUED TO A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY; AND

2. NO EARLIER THAN JULY 1, 2016.

(3) BEFORE THE COMMISSION MAY MAKE A DETERMINATION ON ANY ADJUSTMENT UNDER THIS SUBSECTION, THE COMMISSION SHALL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, ON:

(I) THE IMPACT ON EXISTING FACILITIES FROM A VIDEO LOTTERY FACILITY LOCATED IN PRINCE GEORGE'S COUNTY;

(II) UNEXPECTED MONETARY GAINS TO LICENSEES FROM FACTORS INCLUDING THE DELAYED OPENING OF OTHER FACILITIES;

(III) THE MONETARY BENEFIT TO EXISTING LICENSEES FROM THE REMOVAL OF STATUTORY OR REGULATORY RESTRICTIONS ON VIDEO LOTTERY OPERATIONS;

(IV) INCREASED REVENUE TO LICENSEES FROM THE AUTHORIZATION OF TABLE GAMES;

(V) THE IMPACT OF ANY ADJUSTMENTS TO THE EDUCATION TRUST FUND;

(VI) THE TAX IMPLICATIONS, IF ANY, OF THE OWNERSHIP OF THE VIDEO LOTTERY TERMINALS BY VIDEO LOTTERY FACILITIES; AND

(VII) ANY OTHER FACTORS RELATED TO THE GAMING MARKET IN MARYLAND AND THE ABILITY OF THE STATE GAMING PROGRAM TO COMPETE WITH SURROUNDING STATES.

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

Article – State Government

9–1A–27.

(a) Except as provided in subsections (b) and (c) of this section, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(1) (i) on or before March 31, 2015, 2% to the State Lottery and Gaming Control Agency for costs as defined in § 9–1A–01 of this subtitle; and

(ii) beginning April 1, 2015, 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9–1A–01 of this subtitle;

(2) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed, except as provided in subsection (b) of this section, 33%;

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

(4) [7%] 6% to the Purse Dedication Account established under § 9–1A–28 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;

(5) for the first 16 years of operations at a video lottery facility, 1% to the Racetrack Facility Renewal Account established under § 9–1A–29 of this subtitle, not to exceed a total of \$20,000,000 to the Account annually;

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

(7) 6% to the video lottery operation licensee if the video lottery operation licensee owns or leases each video lottery terminal device and the associated equipment and software;

(8) beginning after the issuance of a video lottery operation license for a video lottery facility in Prince George's County, 5% to the video lottery operation licensee in Anne Arundel County and Baltimore City for:

(i) marketing, advertising, and promotional costs required under § 9-1A-23 of this subtitle; and

(ii) capital improvements at the video lottery facilities; and

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

(b) (1) Beginning July 1, 2013, for a video lottery facility in Worcester County with less than 1,000 video lottery terminals, the percentage in subsection (a)(2) of this section is equal to 43% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the percentage:

(i) in subsection (a)(2) of this section is equal to 43% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility; and

(ii) in subsection (a)(1) of this section is equal to 2%.

(3) For a video lottery facility in Prince George's County, the percentage in subsection (a)(2) of this section stated in the accepted application for the location may not exceed 38%.

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(i) 2% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

(ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

(iii) 2.75% in local impact grants, in accordance with § 9–1A–31 of this subtitle;

(iv) 2.5% to the Purse Dedication Account established under § 9–1A–28 of this subtitle;

(v) 0.75% to the Small, Minority, and Women–Owned Businesses Account established under § 9–1A–35 of this subtitle; and

(vi) the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the proceeds generated at the facility in Allegany County shall be allocated as provided in subsections (a) and (b) of this section.

[(d) On a properly approved transmittal prepared by the Commission, the Comptroller shall pay 80% of the proceeds of table games at each video lottery facility to the video lottery operation licensee and the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.]

(D) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM THE PROCEEDS OF TABLE GAMES AT EACH VIDEO LOTTERY FACILITY:

(I) 5% TO THE LOCAL JURISDICTION IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED;

(II) 80% TO THE VIDEO LOTTERY OPERATION LICENSEE;
AND

(III) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9–1A–30 OF THIS SUBTITLE.

(e) (1) If the costs of the State Lottery and Gaming Control Agency are less than the proceeds specified in subsection (a)(1) of this section, any amount not distributed to the State Lottery and Gaming Control Agency shall be paid to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(2) The costs of the Commission shall be as provided in the State budget.

9–1A–31.

1 (a) (1) The local impact grants provided under § 9–1A–27 of this subtitle
2 shall be distributed [in the following manner:] **AS PROVIDED IN THIS SUBSECTION.**

3 **(2) THE FOLLOWING AMOUNTS SHALL BE DISTRIBUTED TO THE**
4 **FOLLOWING JURISDICTIONS:**

5 **(I) ALLEGANY COUNTY – \$200,000;**

6 **(II) CECIL COUNTY – \$200,000; AND**

7 **(III) WORCESTER COUNTY – \$200,000.**

8 **(3) THE REMAINING FUNDS FOR LOCAL IMPACT GRANTS SHALL**
9 **BE DISTRIBUTED IN THE FOLLOWING MANNER:**

10 (i) 82% to the local jurisdictions with video lottery facilities,
11 based on each jurisdiction's percentage of overall gross revenues from video lottery
12 terminals; and

13 (ii) except as provided in paragraph [(2)] **(4)** of this subsection,
14 for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal
15 year 2032, 18% to Baltimore City with the Pimlico Community Development Authority
16 acting as the local development council in accordance with subsection (d) of this
17 section, to be distributed primarily for capital projects benefiting economic and
18 community development in the following manner:

19 1. at least 75% in a manner that is consistent with the
20 Park Heights Master Plan; and

21 2. the remainder dedicated to the needs of:

22 A. any census blockgroup that Baltimore City identifies
23 as being located partly or entirely within 1 mile of Pimlico Race Course but not within
24 the boundaries of the Park Heights Master Plan; and

25 B. any neighborhood included in the Northwest
26 Community Planning Forum Strategic Neighborhood Action Plan.

27 **[(2)] (4)** (i) Of the amount specified under paragraph **[(1)(ii)]**
28 **(3)(II)** of this subsection, \$1,000,000 shall be provided annually to Prince George's
29 County to be used for capital projects in the community within 10 miles surrounding
30 Rosecroft Raceway.

31 (ii) The Legislative Policy Committee shall report its findings
32 and recommendations concerning the advisability of the continuation of the

1 distribution of funds after fiscal year 2032 to the Comptroller and, in accordance with
2 § 2–1246 of this article, the General Assembly, on or before November 1, 2030.

3 **[(3)] (5)** Baltimore City and Prince George’s County shall report to
4 the Legislative Policy Committee by December 31 of each year as to the distribution of
5 the funds provided under this section.

6 **(6) (I) THE DISTRIBUTION UNDER PARAGRAPH (3)(I) OF THIS**
7 **SUBSECTION TO ANNE ARUNDEL COUNTY, BALTIMORE CITY, AND PRINCE**
8 **GEORGE’S COUNTY EQUALS THE SUM OF THE AMOUNTS TO BE DISTRIBUTED TO**
9 **ANNE ARUNDEL COUNTY, BALTIMORE CITY, AND PRINCE GEORGE’S COUNTY**
10 **DIVIDED BY THREE.**

11 **(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS**
12 **PARAGRAPH, THE AMOUNT DISTRIBUTED TO ANNE ARUNDEL COUNTY AND**
13 **BALTIMORE CITY UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION MAY NOT BE**
14 **LESS THAN THE AMOUNT RECEIVED IN THE FISCAL YEAR BEFORE THE VIDEO**
15 **LOTTERY OPERATION LICENSE FOR A VIDEO LOTTERY FACILITY IN PRINCE**
16 **GEORGE’S COUNTY WAS ISSUED.**

17 (b) (1) Except as otherwise provided in paragraph (2) of this subsection,
18 local impact grants provided under subsection **[(a)(1)(i)] (A)(3)(I)** of this section shall
19 be used for improvements primarily in the communities in immediate proximity to the
20 video lottery facilities and may be used for the following purposes:

- 21 (i) infrastructure improvements;
- 22 (ii) facilities;
- 23 (iii) public safety;
- 24 (iv) sanitation;
- 25 (v) economic and community development, including housing;
- 26 and
- 27 (vi) other public services and improvements.

28 (2) In Allegany County, local impact grants provided under subsection
29 **[(a)(1)(i)] (A)(3)(I)** of this section may be used:

- 30 (i) for purposes listed in paragraph (1) of this subsection
31 throughout the county; and

(ii) to pay down the debt incurred by the county in the construction and related costs for the golf course, lodge, and other improvements in Rocky Gap State Park.

Article – Election Law

13–237.

(a) (2) “Gaming activity” means video lottery **OR TABLE GAMES** authorized by this State under Title 9, Subtitle 1A of the State Government Article.

(6) “TABLE GAMES” HAS THE MEANING STATED IN § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE.

[(6)] (7) “Video lottery” has the meaning stated in § 9–1A–01 of the State Government Article.

[(7)] (8) “Video lottery terminal” ” has the meaning stated in § 9–1A–01 of the State Government Article.

SECTION 4. AND BE IT FURTHER ENACTED, That, if a majority of the voters in Maryland voting on the question approve the question required under Section 6 of this Act, the State Lottery and Gaming Control Commission shall immediately begin the regulatory process for table games.

SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Video Lottery Facility Location Commission may not award a video lottery operation license for a video lottery facility in Prince George’s County unless the question provided for in Section 6 of this Act is approved by a majority of the voters in Prince George’s County voting on the question.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(1) In accordance with Article XIX, § 1(e) of the Maryland Constitution, before Section 2 of this Act which authorizes additional forms or expansion of commercial gaming becomes effective, a question substantially similar to the following shall be submitted to a referendum of the qualified voters of the State at the general election to be held in November of 2012:

“Do you favor the expansion of commercial gaming in the State of Maryland for the primary purpose of raising revenue for education to authorize video lottery operation licensees to operate “table games” as defined by law; to increase from 15,000 to 16,500 the maximum number of video lottery terminals that may be operated in the State; and to increase from 5 to 6 the maximum number of video lottery operation licenses that may be awarded in the State and allow a video lottery facility to operate in Prince George’s County?”

(2) The State Board of Elections shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question are “For the additional forms and expansion of commercial gaming”, Section 2 of this Act shall become effective on the 30th day following the official canvass of votes for the referendum, but if a majority of the votes cast on the question are “Against the additional forms and expansion of commercial gaming”, Section 2 of this Act is of no effect and null and void.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Ballot issue committee” has the meaning stated in § 1–101(f) of the Election Law Article.

(3) “Campaign finance report” has the meaning stated in § 1–101(i) of the Election Law Article.

(4) “Campaign finance statement” means an electronic filing statement submitted to the State Board of contributions, expenditures, and outstanding obligations.

(5) “State Board” has the meaning stated in § 1–101(rr) of the Election Law Article.

(b) This section applies to:

(1) a ballot issue committee formed to support or oppose the question relating to this Act;

(2) a person required to file an independent expenditure report under § 13–306 of the Election Law Article as a result of independent expenditures to support or oppose the question relating to this Act; and

(3) a person required to file an electioneering communications report under § 13–307 of the Election Law Article as a result of electioneering communications to support or oppose the question relating to this Act.

(c) (1) From the enactment of this Act through October 21, 2012 (the transactions end date for the campaign finance report due on the second Friday, October 26, 2012, immediately preceding the November 6, 2012 general election), a person subject to this section shall submit a campaign finance statement within 48 hours for any contribution of \$10,000 or more that is received and any expenditure of \$10,000 or more that is made or obligated to be made.

(2) From October 22, 2012 (the day following the transactions end date for the campaign finance report due on the second Friday, October 26, 2012, immediately preceding the November 6, 2012 general election) through November 9, 2012 (the first Friday after the November 6, 2012 general election), a person subject to this section shall submit a campaign finance statement within 48 hours for any contribution of \$5,000 or more that is received and any expenditure of \$5,000 or more that is made or obligated to be made.

(d) The State Board shall:

(1) establish procedures and filing requirements as necessary to implement this Act; and

(2) post on its Web site any campaign finance statement filed with it under this section within 24 hours after its receipt.

(e) (1) The State Board shall assess a late filing fee against any person required to file a campaign finance statement under subsection (c) of this section who fails to do so in a timely manner.

(2) The late filing fee is \$500 for each day or part of a day that the campaign finance statement is overdue.

SECTION 8. AND BE IT FURTHER ENACTED, That the terms of the current State Lottery Commission expire on October 1, 2012, and the terms of the initial members of the State Lottery and Gaming Control Commission shall expire as follows:

(1) one member in 2013;

(2) one member in 2014;

(3) one member in 2015;

(4) two members in 2016; and

(5) two members in 2017.

SECTION 9. AND BE IT FURTHER ENACTED, That an applicant for a video lottery operation license in Prince George's County may request that the Video Lottery Facility Location Commission authorize a temporary table games facility on the award of a video lottery operation license.

SECTION 10. AND BE IT FURTHER ENACTED, That, on or before December 1, 2022, the State Lottery and Gaming Control Commission shall report and make recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the tax structure and competitiveness of the Maryland gaming market.

1 SECTION 11. AND BE IT FURTHER ENACTED, That, on October 1, 2012, all
2 the functions, powers, duties, equipment, assets, liabilities, and employees of the State
3 Lottery Commission and State Lottery Agency under Title 9, Subtitles 1 and 1A of the
4 State Government Article shall be transferred to the State Lottery and Gaming
5 Control Commission and State Lottery and Gaming Control Agency.

6 SECTION 12. AND BE IT FURTHER ENACTED, That all appropriations held
7 by the State Lottery Commission and State Lottery Agency to carry out the functions
8 and programs transferred under this Act to the State Lottery and Gaming Control
9 Commission and State Lottery and Gaming Control Agency shall be transferred to the
10 State Lottery and Gaming Control Commission and State Lottery and Gaming Control
11 Agency on October 1, 2012.

12 SECTION 13. AND BE IT FURTHER ENACTED, That an employee
13 transferred under this Act shall be appointed without further examination or
14 qualification. The employee shall be placed in a classification that is comparable in
15 duties and responsibilities to the employee's former position. The employee may not
16 suffer a diminution of salary or wages, accrued leave, whether earned or granted, or
17 seniority rights.

18 SECTION 14. AND BE IT FURTHER ENACTED, That, except as expressly
19 provided to the contrary in this Act, any transaction affected by or flowing from any
20 statute amended, repealed, or transferred under this Act, and validly entered into
21 before October 1, 2012, and every right, duty, or interest flowing from the transaction,
22 remains valid on or after October 1, 2012, and may be terminated, completed,
23 consummated, or enforced pursuant to law.

24 SECTION 15. AND BE IT FURTHER ENACTED, That, except as otherwise
25 provided by law, all existing laws, rules and regulations, proposed rules and
26 regulations, standards and guidelines, policies, orders and other directives, forms,
27 plans, contracts, property, investigations, administrative and judicial responsibilities,
28 rights to sue and be sued, and all other duties and responsibilities associated with the
29 functions of the State Lottery Commission and State Lottery Agency under Title 9,
30 Subtitles 1 and 1A of the State Government Article prior to October 1, 2012, shall
31 continue in effect under the State Lottery and Gaming Control Commission and State
32 Lottery and Gaming Control Agency until completed, withdrawn, canceled, modified,
33 or otherwise changed pursuant to law.

34 SECTION 16. AND BE IT FURTHER ENACTED, That the publisher of the
35 Annotated Code of Maryland, in consultation with and subject to the approval of the
36 Department of Legislative Services, shall correct, with no further action required by
37 the General Assembly, cross-references and terminology rendered incorrect by this
38 Act or by any other Act of the General Assembly of the Second Special Session of 2012
39 that affects provisions enacted by this Act. The publishers shall adequately describe
40 any such correction in an editor's note following the section affected.

1 SECTION 17. AND BE IT FURTHER ENACTED, That Section 3 of this Act
2 shall take effect contingent on the issuance of a video lottery operation license for a
3 video lottery facility in Prince George's County by the State Lottery and Gaming
4 Control Commission.

5 SECTION 18. AND BE IT FURTHER ENACTED, That, subject to the
6 provisions of Section 6 of this Act and for the sole purpose of providing for the
7 referendum required by Section 6 of this Act, this Act shall take effect August 15,
8 2012.

9 SECTION 19. AND BE IT FURTHER ENACTED, That, except as otherwise
10 provided in this Act, this Act shall take effect October 1, 2012.