

Chapter 1

(Senate Bill 1)

AN ACT concerning

Gaming Expansion – Video Lottery Terminals and Table Games – Lottery Machines – Veterans' Organizations

FOR the purpose of establishing the State Lottery and Gaming Control Commission and the State Lottery and Gaming Control Agency with certain powers and duties; transferring the responsibilities of the State Lottery Commission and the State Lottery Agency to the State Lottery and Gaming Control Commission and the State Lottery and Gaming Control Agency, respectively; providing for the membership of the State Lottery and Gaming Control Commission; authorizing the Presiding Officers of the General Assembly to recommend individuals to the Governor for appointment to the State Lottery and Gaming Control Commission; requiring the Commission to refer a certain matter regarding the legal operation of amusement games in Baltimore City or Baltimore County to the State's Attorney under certain circumstances; providing for certain qualifications, terms of office, salaries, and reimbursements of expenses for members of the State Lottery and Gaming Control Commission; altering the number of members who must concur before the State Lottery and Gaming Control Commission may act; providing for certain staffing and consultants for the State Lottery and Gaming Control Commission; increasing the percentage of a State lottery sales agent's gross receipts from ticket sales that an agent receives as a commission under certain circumstances; establishing the Joint Committee on Gaming Oversight; providing for the membership, duties, and staffing of the Committee and the appointment of cochairs; establishing that a member of the Committee may not receive compensation but may receive a certain reimbursement; requiring the Committee to submit a certain annual report; authorizing the Director of the State Lottery and Gaming Control Agency to issue to certain veterans' organizations a license for not more than a certain number of instant ticket lottery machines for the sale of certain lottery machine tickets under certain circumstances; exempting certain counties from certain provisions; requiring a veterans' organization to locate and operate certain instant ticket lottery machines in certain places; authorizing the Director to adopt certain regulations; providing that revenues from certain lottery machine ticket sales by a veterans' organization are to be credited to the State Lottery Fund after certain deductions are made; requiring the Comptroller to distribute a certain percentage of proceeds deposited in the State Lottery Fund from certain lottery machine ticket sales by veterans' organizations to the Maryland Veterans Trust Fund; requiring a veterans' organization issued a license under this Act to purchase or lease instant ticket lottery machines; prohibiting a veterans' organization from using certain lottery receipts to pay certain costs for instant

ticket lottery machines; defining a certain term; directing the State Lottery and Gaming Control Agency to ensure that implementation of the provisions of this Act with respect to the conduct of gaming and the operation of the instant ticket lottery machines is consistent with a certain court decision; requiring certain video lottery facilities to own or lease certain video lottery terminals and associated equipment and software, subject to a certain exception; requiring that certain savings related to the ownership or leasing of video lottery terminals and associated equipment and software be appropriated to the Education Trust Fund; authorizing certain counties to impose certain requirements under certain circumstances; altering the distribution of certain proceeds of video lottery terminals; requiring that regulations adopted by the State Lottery and Gaming Control Commission include provisions that prohibit automated teller machines located in video lottery facilities from accepting certain electronic benefit cards, debit cards, or similar negotiable instruments issued by the Department of Human Resources for certain purposes; authorizing video lottery operation licensees to retain certain funds; altering the timing for certain transfers of funds; altering the authorized uses of a certain fund; altering the period of time and authorized use for certain local impact grants; extending certain reporting requirements; authorizing the State Racing Commission to use certain accounting services for a certain purpose; requiring certain holders of a license to hold a race meeting to reimburse the State Racing Commission for certain expenditures; altering the authorized use of certain revenues in Prince George's County to require that the revenues be used for public safety projects instead of capital projects; altering the distance from Rosecroft Raceway for purposes of determining the communities within which certain revenues may be used for certain projects; altering the staffing for the Video Lottery Facility Location Commission; repealing certain limitations on a certain video lottery facility; requiring certain applicants for a video lottery operation license to take certain steps before being awarded a license; requiring the Governor's Office of Minority Affairs, in consultation with the Office of the Attorney General, to provide certain assistance; requiring certain proceedings before the Board of Contract Appeals to proceed in a certain manner; authorizing certain petitions for judicial review to be heard in certain circuit courts; requiring that certain proceedings related to certain petitions for judicial review proceed in a certain manner under certain circumstances; exempting certain video lottery terminals, associated equipment and software, and table games from property tax; authorizing certain parties to certain proceedings related to certain petitions for judicial review to appeal the decision of the circuit court in a certain manner; prohibiting certain persons from making certain contributions under certain circumstances; altering a certain provision relating to certain temporary facilities; prohibiting a certain video lottery facility from beginning certain operations in a temporary facility; prohibiting a certain licensee from beginning table game operations until a certain condition is met; 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; authorizing, subject to a certain contingency, a holder of a video lottery facility license to apply for an additional license under certain circumstances and notwithstanding a certain prohibition against an individual or business entity owning an interest in more than one video lottery facility; authorizing, subject to a certain contingency, the State Lottery and Gaming Control Commission to allow an awardee of a video lottery operation license in Prince George's County to commence operations in a permanent facility after a certain date; 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 establish a certain annual fee; 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 a certain percentage of local impact grants to Prince George's County to be used for a certain purpose subject to a certain limitation; authorizing the State to reimburse Prince George's County under certain circumstances; 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; authorizing the State Prosecutor to assess a certain penalty against a person who fails to submit a certain campaign finance statement or campaign finance report in a timely manner; requiring a regulated lobbyist that sought to influence executive or legislative action related to gaming issues in a certain special session of the General Assembly to submit a report including certain information to the State Ethics Commission on or before a certain date; 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;~~ stating the intent of the General Assembly that video lottery operation licensees partner with certain institutions of higher education to offer job training programs in the gaming and hospitality industries; requiring the State Lottery and Gaming Control Commission to make certain recommendations and prepare certain reports; requiring certain holders of a license to hold a race meeting in the State to submit capital improvement plans to the State Racing Commission that contain certain information on or before a certain date and to submit a certain formal funding

request; providing for forfeiture of certain funds under certain circumstances; 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 and certain lottery machine ticket sales by veterans' organizations.

BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 12-301.1(a) and (b)

Annotated Code of Maryland

(2002 Volume and 2011 Supplement)

(As enacted by Chapter 603 of the Acts of the General Assembly of 2012)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9-101(a), ~~9-120(a) and 9-1A-01(a)~~, ~~9-1A-01(a)~~, and ~~9-1A-29(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, ~~9-112~~, ~~9-120(b)~~, ~~9-913~~, 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)~~ (d), 9-1A-06(a), 9-1A-10, ~~9-1A-11(e)(1)~~ 9-1A-11(b), (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) and (f), 9-1A-26, 9-1A-27, ~~9-1A-29(k)~~ 9-1A-29(b) and (k), 9-1A-30(c), 9-1A-31(a) and (b), 9-1A-33(a), 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 repealing and reenacting, with amendments,

Article – State Government

Section 9-117(a)(1)

Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)
(As enacted by Chapter 1 of the Acts of the General Assembly of the 2012 First Special Session)

BY adding to

Article – State Government
 Section 9–1A–01(w–1) and (w–2), 9–1A–02(b)(3), *9–1A–11(c)(3)*, 9–1A–36(l), ~~and~~
9–1A–37, and 9–1A–38
 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 – Tax – Property
Section 7–244
Annotated Code of Maryland
(2007 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government
 Section 9–1A–01(u), 9–1A–04, *9–1A–11(c)(1) and (d)*, *9–1A–26*, 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 – Tax – Property
Section 7–244
Annotated Code of Maryland
(2007 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 – Criminal Law

12–301.1.

(a) In this subtitle, “Commission” means the State Lottery AND GAMING CONTROL Commission.

(b) (1) [Subject to paragraph (2)] EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) of this subsection and consistent with the provisions of this title and Title 13 of this article, the Commission shall certify and regulate the operation, ownership, and manufacture of an electronic gaming device authorized under this title.

(2) This section does not apply to:

(i) the ownership or operation of slot machines that are subject to regulation by the Comptroller under § 12–304 of this title; and

(ii) paper tip jar gaming where authorized.

(3) (1) THIS PARAGRAPH APPLIES ONLY IN BALTIMORE CITY AND BALTIMORE COUNTY.

(II) IF A LOCAL LAW ENFORCEMENT AGENCY REFUSES TO ENFORCE A PROVISION REGARDING THE LEGAL OPERATION OF AMUSEMENT GAMES, THE COMMISSION SHALL REFER THE MATTER TO THE APPROPRIATE OFFICE OF THE STATE'S ATTORNEY.

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

(2) THE PRESIDING OFFICER OF EITHER HOUSE OF THE GENERAL ASSEMBLY MAY RECOMMEND TO THE GOVERNOR A LIST OF INDIVIDUALS FOR APPOINTMENT TO THE COMMISSION.

- (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.

(F) THE COMMISSION SHALL INCLUDE AT LEAST ONE MEMBER WHO RESIDES IN A LOCAL JURISDICTION IN WHICH A VIDEO LOTTERY FACILITY IS LOCATED.

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~~ 4 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**

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

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

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

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

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

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

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

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

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

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

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

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

9-112.

(a) IN THIS SECTION, "VETERANS' ORGANIZATION" MEANS AN ORGANIZATION THAT IS TAX EXEMPT AND ORGANIZED AS A VETERANS' ORGANIZATION UNDER § 501(C)(19) OR § 501(C)(4) OF THE INTERNAL REVENUE CODE.

(B) [In] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IN ACCORDANCE WITH THE REGULATIONS OF THE AGENCY AND THIS SUBTITLE, THE DIRECTOR SHALL ISSUE LICENSES TO THE PERSONS AND GOVERNMENTAL UNITS THAT WILL BEST SERVE THE PUBLIC CONVENIENCE AND PROMOTE THE SALE OF STATE LOTTERY TICKETS OR SHARES.

[(b)] (C) Before issuing a license to an applicant, the Director shall consider such factors as:

(1) the financial responsibility and security of the applicant and the business or activity of the applicant;

(2) the accessibility of the place of business or activity to the public;

(3) the sufficiency of existing licenses to serve the public convenience;

and

(4) the volume of expected sales.

(D) (1) THIS SUBSECTION DOES NOT APPLY IN:

(I) CAROLINE COUNTY;

(II) CECIL COUNTY;

(III) DORCHESTER COUNTY;

(IV) KENT COUNTY;

(V) MONTGOMERY COUNTY;

(VI) QUEEN ANNE'S COUNTY;

(VII) SOMERSET COUNTY;

(VIII) TALBOT COUNTY;

(IX) WICOMICO COUNTY; AND

(X) WORCESTER COUNTY.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DIRECTOR MAY ISSUE A LICENSE UNDER THIS SUBTITLE FOR NOT MORE THAN FIVE INSTANT TICKET LOTTERY MACHINES TO AN APPLICANT THAT IS A VETERANS' ORGANIZATION.

(II) A VETERANS' ORGANIZATION THAT IS ISSUED A LICENSE UNDER THIS SUBSECTION SHALL LOCATE AND OPERATE ITS INSTANT TICKET LOTTERY MACHINES AT ITS PRINCIPAL MEETING HALL IN THE COUNTY IN WHICH THE VETERANS' ORGANIZATION IS LOCATED.

(3) AFTER DEDUCTION OF ANY COMMISSION AND VALIDATION PRIZE PAYOUT AS PROVIDED UNDER § 9-117 OF THIS SUBTITLE, A VETERANS' ORGANIZATION ISSUED A LICENSE UNDER THIS SUBSECTION SHALL CREDIT THE REMAINING RECEIPTS FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES TO THE STATE LOTTERY FUND ESTABLISHED UNDER § 9-118 OF THIS SUBTITLE.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A VETERANS' ORGANIZATION ISSUED A LICENSE UNDER THIS SUBSECTION SHALL PURCHASE OR LEASE FROM THE AGENCY THE INSTANT TICKET LOTTERY MACHINES TO BE USED BY THE VETERANS' ORGANIZATION.

(II) AN ORGANIZATION MAY NOT USE RECEIPTS FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES THAT WOULD OTHERWISE BE CREDITED TO THE STATE LOTTERY FUND FOR THE COSTS OF PURCHASING OR LEASING INSTANT TICKET LOTTERY MACHINES.

(5) THE DIRECTOR MAY ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION THAT INCLUDED RESTRICTING THE LOCATION OF INSTANT TICKET LOTTERY MACHINES IN AREAS OF A VETERANS' ORGANIZATION'S PUBLIC MEETING HALL THAT IS ACCESSIBLE TO THE PUBLIC.

(6) THE STATE LOTTERY AND GAMING CONTROL AGENCY SHALL ENSURE THAT THE CONDUCT OF THE GAMING AND THE OPERATION OF THE INSTANT TICKET LOTTERY MACHINES AS ESTABLISHED UNDER THIS SUBSECTION ARE CONSISTENT WITH THE HOLDING IN THE CASE OF CHESAPEAKE AMUSEMENTS INC. V. RIDDLE, 363 MD. 16 (2001).

[(c)] (E) The Director may not issue a license to:

(1) a person or governmental unit to engage in business primarily as a licensed agent; or

(2) an individual who is under the age of 21 years.

[(d)] (F) The Commission may hear and decide an appeal of a denial of a license.

9-117.

(a) (1) (i) Except as provided in [subparagraph (ii)] **SUBPARAGRAPHS (II) AND (III)** of this paragraph, a licensed agent shall receive regular commissions of 5.5% of the licensed agent's gross receipts from ticket sales.

(ii) For fiscal [years 2010] **YEAR 2012** through [2013] **DECEMBER 31, 2012**, only, a licensed agent shall receive regular commissions of 5.0% of the licensed agent's gross receipts from ticket sales.

(III) IF A VIDEO LOTTERY OPERATION LICENSE FOR A VIDEO LOTTERY FACILITY IN BALTIMORE CITY IS ISSUED, A LICENSED AGENT SHALL RECEIVE REGULAR COMMISSIONS OF 6% OF THE LICENSED AGENT'S GROSS RECEIPTS FROM TICKET SALES.

9-120.

(a) The Comptroller shall distribute the State Lottery Fund to pay:

(1) on a pro rata basis for the daily and nondaily State lottery games, the expenses of administering and operating the State lottery, as authorized under this subtitle and the State budget; and

(2) then, except as provided in § 10-113.1 of the Family Law Article and § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or share.

(b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

(i) into the Maryland Stadium Facilities Fund the money that remains in the State Lottery Fund from the proceeds of the lotteries conducted for the benefit of the Maryland Stadium Authority, after the distribution under subsection (a) of this section; [and]

(II) AFTER JUNE 30, 2014, INTO THE MARYLAND VETERANS TRUST FUND 10% OF THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF SALES OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES BY VETERANS' ORGANIZATIONS UNDER § 9-112(D) OF THIS SUBTITLE, AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION; AND

[(ii)] (III) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all other lotteries after the distribution under subsection (a) of this section.

(2) The money paid into the General Fund under this subsection is available in the fiscal year in which the money accumulates in the State Lottery Fund.

9-913.

(a) In this section, "Fund" means the Maryland Veterans Trust Fund.

(b) There is a Maryland Veterans Trust Fund in the Department.

(c) (1) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(d) (1) The Secretary shall administer the Fund.

(2) The Maryland Veterans Commission, the Maryland Veterans' Home Commission, and program directors shall advise the Secretary on the administration of the Fund.

(e) The Fund consists of:

(1) gifts and grants that the Department receives under § 9-912(b) of this subtitle; AND

(2) CONTRIBUTIONS TO THE FUND FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES UNDER § 9-112(D) OF THIS TITLE.

(f) Money in the Fund may only be used to:

(1) make grants and loans under § 9-912(b)(2)(i) of this subtitle;

(2) be invested under § 9-912(b)(2)(ii) of this subtitle; and

(3) pay the costs of administering the Fund through distribution to an administrative cost account in the Department.

(g) (1) The State Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the Fund.

(h) Money expended from the Fund is supplemental to and is not intended to take the place of funding that would otherwise be appropriated to the Department.

(i) (1) On or before August 31 of each year, the Secretary shall submit a report to the General Assembly, in accordance with § 2-1246 of this article, on the status of the Fund.

(2) The report shall include:

(i) the gross amount of gifts and grants credited to the Fund;

(ii) the costs of administration of the Fund; and

(iii) a detailed accounting of the use of the Fund.

9-1A-01.

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

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

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

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

9-1A-02.

(c) (1) This subtitle authorizes the operation of video lottery terminals [owned or leased by the State] that are connected to a central monitor and control

system owned or leased by the State that allows the Commission to monitor a video lottery terminal.

9-1A-04.

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

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

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

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

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

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

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

~~(d) (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, **INCLUDING THE PROCUREMENT OF EQUIPMENT AND ONGOING SERVICES**, 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.

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

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

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

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

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

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

9-1A-11.

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

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

9-1A-21.

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

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

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

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

(II) **1. ~~FOR~~ SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, FOR A VIDEO LOTTERY FACILITY LOCATED IN ALLEGANY COUNTY OR WORCESTER COUNTY, EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE OWNED OR LEASED BY THE COMMISSION.**

2. A VIDEO LOTTERY FACILITY LOCATED IN ALLEGANY COUNTY OR WORCESTER COUNTY MAY APPLY TO THE COMMISSION FOR PERMISSION TO ASSUME OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY TERMINAL DEVICE USED BY THE FACILITY.

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

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

9-1A-24.

(f) In order to protect the public interest, the regulations shall include provisions that:

(1) limit the number and location of and maximum withdrawal amounts from automated teller machines;

(2) PROHIBIT AUTHORIZED AUTOMATED TELLER MACHINES FROM ACCEPTING ELECTRONIC BENEFIT CARDS, DEBIT CARDS, OR SIMILAR NEGOTIABLE INSTRUMENTS ISSUED BY THE DEPARTMENT OF HUMAN RESOURCES FOR THE PURPOSE OF ACCESSING TEMPORARY CASH ASSISTANCE;

[(2)] (3) require payouts above an amount adopted by the Commission to be made by check;

[(3)] (4) require conspicuous disclosures related to the payout of video lottery terminals;

[(4)] (5) limit the dollar amount that video lottery terminals will accept;

~~[(5)] (6)~~ prohibit the use of specified negotiable instruments at video lottery facilities and the use of credit cards, debit cards, and similar devices in video lottery terminals;

~~[(6)] (7)~~ provide consumers with a record of video lottery terminal spending levels if marketing measures are utilized that track consumer spending at video lottery facilities;

~~[(7)] (8)~~ prohibit consumers from cashing paychecks at video lottery facilities; and

~~[(8)] (9)~~ prohibit video lottery operation licensees from engaging in or contracting with another to engage in predatory marketing practices.

9-1A-26.

(a) (1) Except as provided in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of this subsection, all proceeds from the operation of video lottery terminals shall be electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9-1A-27 of this subtitle.

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

(3) THE AMOUNT FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS TO BE PAID TO VIDEO LOTTERY OPERATION LICENSEES UNDER § 9-1A-27(A)(2) AND (7), (B), AND (C)(1)(II) AND (2) OF THIS SUBTITLE SHALL BE RETAINED BY THE LICENSEE.

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

(2) The proceeds from video lottery terminals shall be under the control of the Comptroller and shall be distributed as provided 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.

9-1A-27.

(a) Except as provided in [subsection (b)] **SUBSECTIONS (B) AND (C)** of this section **AND § 9-1A-26(A)(3) OF THIS SUBTITLE**, 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) **(I) UNTIL THE ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE IN BALTIMORE CITY, 1.75% TO THE RACETRACK FACILITY RENEWAL ACCOUNT ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE AND DISTRIBUTED IN ACCORDANCE WITH THAT SECTION; AND**

(II) ON OR AFTER THE ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE IN BALTIMORE CITY, 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 AND DISTRIBUTED IN ACCORDANCE WITH THAT SECTION, 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) **(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM, 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**

(II) 8% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ANNE ARUNDEL COUNTY; 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) (I) AFTER 1 YEAR OF OPERATIONS AT A VIDEO LOTTERY FACILITY IN ALLEGANY COUNTY, THE PERCENTAGE IN SUBSECTION (C)(1)(II) OF THIS SECTION IS EQUAL TO 50%, PROVIDED THAT EACH YEAR AN AMOUNT EQUIVALENT TO 0.5% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY IS SPENT ON CAPITAL IMPROVEMENTS AT THE VIDEO LOTTERY FACILITY; OR

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

~~(H)~~ 1. 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

~~(H)~~ 2. 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.

(a) There is a Racetrack Facility Renewal Account under the authority of the State Racing Commission.

(b) (1) The Account shall receive money as required under § 9–1A–27 of this subtitle **FOR THE FIRST 16 YEARS OF OPERATIONS AT EACH VIDEO LOTTERY FACILITY.**

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the State Racing Commission, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the State Racing Commission as provided under subsection (c) of this section.

(6) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE STATE RACING COMMISSION MAY USE THE SERVICES OF A CERTIFIED

PUBLIC ACCOUNTANT TO REVIEW AN ELIGIBLE REQUEST FOR A GRANT UNDER THIS SECTION.

(II) THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN THE STATE THAT HAS REQUESTED A GRANT UNDER THIS SECTION SHALL REIMBURSE THE STATE RACING COMMISSION FOR ANY EXPENDITURES FOR SERVICES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(k) Any unencumbered funds remaining in the Racetrack Facility Renewal Account ~~on July 1, [2018,] 2026,~~ **AFTER A VIDEO LOTTERY FACILITY HAS BEEN IN OPERATION FOR 16 YEARS** shall be paid to the Education Trust Fund established under § 9-1A-30 of this subtitle.

9-1A-30.

(c) Money in the Education Trust Fund shall be used to:

(1) provide funding for public elementary and secondary education, through continuation of the funding and formulas established under the programs commonly known as the Bridge to Excellence in Public Schools Act, first enacted by Chapter 288 of the Acts of the General Assembly of 2002, including the funding for regional differences in the cost of education under § 5-202(f) of the Education Article;

(2) provide funds to construct public school buildings and provide public school capital improvements in accordance with §§ 5-301 through 5-303 of the Education Article; [and]

(3) provide funds for capital projects at community colleges and public senior higher education institutions; AND

(4) PROVIDE FUNDS TO EXPAND PUBLIC EARLY CHILDHOOD EDUCATION PROGRAMS IN THE STATE.

9-1A-31.

(a) (1) ~~The~~ **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, 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 this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

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

2. the remainder dedicated to the needs of:

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

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

(2) (i) Of the amount specified under paragraph (1)(ii) of this subsection, \$1,000,000 shall be provided annually to Prince George's County to be used for ~~capital~~ **PUBLIC SAFETY** projects in the community within ~~10~~ 5 miles surrounding Rosecroft Raceway.

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

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

(4) BEGINNING AFTER A VIDEO LOTTERY OPERATION LICENSE IS ISSUED TO A VIDEO LOTTERY FACILITY IN BALTIMORE CITY, 100% OF THE LOCAL IMPACT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE FROM THE PROCEEDS OF THE VIDEO LOTTERY FACILITIES LOCATED IN ALLEGANY, CECIL, AND WORCESTER COUNTIES SHALL BE DISTRIBUTED TO THE LOCAL JURISDICTIONS IN WHICH THOSE VIDEO LOTTERY FACILITIES ARE LOCATED.

(b) (1) Except as otherwise provided in ~~paragraph (2)~~ **PARAGRAPHS (2) AND (3)** of this subsection, local impact grants provided under subsection (a)(1)(i) of this section shall be used for improvements **PRIMARILY** in the communities in immediate proximity to the video lottery facilities and may be used for the following purposes:

- (i) infrastructure improvements;
- (ii) facilities;
- (iii) public safety;
- (iv) sanitation;
- (v) economic and community development, including housing;
- (vi) other public services and improvements.

and

(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.

(3) IN BALTIMORE CITY, LOCAL IMPACT GRANTS PROVIDED UNDER SUBSECTION (A)(1)(I) OF THIS SECTION SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITY AND MAY BE USED FOR THE FOLLOWING PURPOSES:

(I) INFRASTRUCTURE IMPROVEMENTS;

(II) FACILITIES;

(III) PUBLIC SAFETY;

(IV) SANITATION;

(V) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING; AND

(VI) OTHER PUBLIC SERVICES AND IMPROVEMENTS.

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:

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

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

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

(i) (3) (i) Beginning with the termination date for the Video Lottery Facility Location Commission and every 3 years thereafter, if all of the video lottery

terminals authorized under this subtitle are not allocated or have been allocated but are not in regular operation, the State Lottery AND GAMING CONTROL Commission may allocate or reallocate video lottery terminals to video lottery operation licensees in a manner that ensures that the highest potential revenues are achieved.

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

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

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

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

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

(2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL, SHALL PROVIDE ASSISTANCE TO ALL POTENTIAL APPLICANTS AND POTENTIAL MINORITY INVESTORS TO SATISFY THE REQUIREMENTS UNDER PARAGRAPH (1)(I) AND (III) OF THIS SUBSECTION.

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

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

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

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

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

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

- (1) issue the video lottery operation license; and
- (2) be responsible for all matters relating to regulation of the licensee.

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

(2) A PROCEEDING UNDER THIS SUBSECTION SHALL:

- (I) TAKE PRECEDENCE ON THE BOARD'S DOCKET;**
- (II) BE HEARD AT THE EARLIEST PRACTICABLE DATE; AND**
- (III) BE EXPEDITED IN EVERY WAY.**

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

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

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

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

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

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

9-1A-37.

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

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

(3) A VIDEO LOTTERY FACILITY MAY REQUEST THAT THE COMMISSION CONSIDER AND MAKE RECOMMENDATIONS ON PROPOSED CHANGES TO THIS SUBTITLE AND ANY PROVISIONS OF ARTICLE 2B OF THE CODE THAT RELATE TO THE REGULATION OF ALCOHOLIC BEVERAGES AT VIDEO LOTTERY FACILITIES.

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

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

9-1A-38.

(A) THERE IS A JOINT COMMITTEE ON GAMING OVERSIGHT.

(B) (1) THE COMMITTEE CONSISTS OF THE FOLLOWING EIGHT MEMBERS:

~~(1)~~ (I) FOUR MEMBERS OF THE SENATE, APPOINTED BY THE PRESIDENT OF THE SENATE; AND

~~(2)~~ (II) FOUR MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE.

(2) AT LEAST ONE SENATOR AND ONE DELEGATE APPOINTED UNDER THIS SUBSECTION SHALL BE A MEMBER OF THE MINORITY PARTY.

(C) THE MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE PRESIDING OFFICER WHO APPOINTED THEM.

(D) THE PRESIDENT AND THE SPEAKER OF THE HOUSE SHALL APPOINT A SENATOR AND A DELEGATE, RESPECTIVELY, TO SERVE AS COCHAIRS.

(E) (1) THE COMMITTEE SHALL EXAMINE:

(I) THE STATUS OF THE STATE'S GAMING PROGRAM; AND

(II) THE IMPLEMENTATION OF NEW LAWS RELATING TO GAMING.

(2) THE COMMITTEE SHALL MAKE RECOMMENDATIONS FOR POTENTIAL IMPROVEMENTS TO THE STATE'S GAMING PROGRAM.

(F) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL PROVIDE STAFFING FOR THE COMMITTEE.

(G) A MEMBER OF THE COMMITTEE MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE COMMITTEE, BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(H) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, THE GENERAL ASSEMBLY.

Article – Courts and Judicial Proceedings

12-309.

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

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

- (1) TAKE PRECEDENCE ON THE COURT'S DOCKET;**
- (2) BE HEARD AT THE EARLIEST PRACTICABLE DATE; AND**
- (3) BE EXPEDITED IN EVERY WAY.**

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

Article – Election Law

13-237.

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

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

~~**(3) "KEY EMPLOYEE" MEANS AN INDIVIDUAL WHO, ACTING AS AN AGENT OR EMPLOYEE OF A PERSON OR LICENSEE, SUPERVISES MORE THAN TWO**~~

~~AGENTS OR EMPLOYEES OF THE PERSON OR LICENSEE AUTHORIZED TO ENGAGE IN GAMING ACTIVITY IN THIS STATE.~~

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

~~(5) (2) "OWN" HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.~~

~~(6) (3) "VIDEO LOTTERY FACILITY" HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.~~

~~(7) (4) "VIDEO LOTTERY ~~TERMINAL~~ OPERATION LICENSE" HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.~~

(B) THIS SECTION APPLIES TO THE FOLLOWING PERSONS:

~~(1) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE TO ENGAGE IN GAMING ACTIVITY IN THIS STATE;; AND~~

~~(2) A HOLDER OF A VIDEO LOTTERY OPERATION LICENSE; OR~~

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

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

~~(i) AN APPLICANT FOR A LICENSE TO ENGAGE IN GAMING ACTIVITY IN THIS STATE; OR~~

~~(ii) A LICENSEE OR OTHER PERSON AUTHORIZED TO ENGAGE IN GAMING ACTIVITY IN THIS STATE;~~

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

~~(i) AN APPLICANT FOR A LICENSE TO ENGAGE IN GAMING ACTIVITY IN THIS STATE; OR~~

~~(ii) A LICENSEE OR OTHER PERSON AUTHORIZED TO ENGAGE IN GAMING ACTIVITY IN THIS STATE; OR~~

~~(5) (2) (3)~~ A PERSON WHO OWNS AN INTEREST IN THE OPERATION OF A VIDEO LOTTERY ~~TERMINAL OR OTHER GAMING ACTIVITY~~ FACILITY IN THIS STATE.

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

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

(1) THE CAMPAIGN FINANCE ENTITY OF A CANDIDATE FOR ANY NONFEDERAL PUBLIC OFFICE IN THE STATE; OR

~~(2) THE CAMPAIGN FINANCE ENTITY OF A POLITICAL PARTY IN THE STATE; OR~~

~~(3) ANY OTHER CAMPAIGN FINANCE ENTITY ORGANIZED IN SUPPORT OF:~~

~~(4) A CANDIDATE FOR ANY NONFEDERAL PUBLIC OFFICE IN THE STATE; OR~~

~~(H) A POLITICAL PARTY IN THE STATE.~~

Article – Tax – Property

7-244.

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

(2) “Associated equipment” has the meaning stated in § 9-1A-01 of the State Government Article.

(3) “VIDEO LOTTERY OPERATION LICENSE” HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.

~~[(3)] (4) “Video lottery terminal” has the meaning stated in § 9-1A- 01 of the State Government Article.~~

(b) Video lottery terminals and any associated equipment or software leased by the State Lottery AND GAMING CONTROL Commission as provided in § 9-1A-21 of the State Government Article are not subject to property tax.

(c) An interest of a person in video lottery terminals and any associated equipment or software owned by the State Lottery AND GAMING CONTROL Commission as provided in § 9-1A-21 of the State Government Article is not subject to property tax.

(D) VIDEO LOTTERY TERMINALS AND ANY ASSOCIATED EQUIPMENT AND SOFTWARE OWNED OR LEASED BY A HOLDER OF A VIDEO LOTTERY OPERATION LICENSE ARE NOT SUBJECT TO PROPERTY TAX.

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

Article – State Government

9-1A-01.

(r) “Manufacturer” means a person:

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

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

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

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

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

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

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

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

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

(W-1) "TABLE GAME EQUIPMENT" MEANS EQUIPMENT THAT IS RELATED TO THE OPERATION OF TABLE GAMES AND THAT IS OWNED OR LEASED BY THE VIDEO LOTTERY FACILITY AND LOCATED ON THE VIDEO LOTTERY FACILITY'S PREMISES.

(W-2) "TABLE GAMES" MEANS:

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

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

9-1A-02.

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

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

9-1A-04.

(a) The Commission shall:

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

- (2) issue licenses in accordance with this subtitle;
 - (3) after a hearing, promptly and in reasonable order, make a determination on the suspension or revocation of licenses under this subtitle;
 - (4) after a hearing, suspend or revoke as applicable the license of a licensee who has a license suspended or revoked in another state;
 - (5) conduct hearings concerning civil violations of this subtitle or regulations issued under this subtitle;
 - (6) collect application, license, and other fees to cover the administrative costs of this subtitle related to licensing;
 - (7) deposit application, license, and other fees to a bank account that the State Treasurer designates to the credit of the State Lottery Fund to cover the administrative costs of this subtitle related to licensing;
 - (8) levy and collect civil penalties for civil violations of the provisions of this subtitle or regulations issued under this subtitle;
 - (9) be present at a video lottery operation through its employees and agents at any time during the operation of any video lottery terminal **OR TABLE GAME** for the purpose of certifying revenue from the video lottery terminals **OR TABLE GAMES**, receiving complaints from the public, and conducting any other investigation into the operation of the video lottery terminals **OR TABLE GAMES** and the maintenance of the video lottery terminals and associated equipment and software **AND TABLE GAMES AND TABLE GAME EQUIPMENT** as the Commission may deem necessary and proper; [and]
 - (10) review and rule on any complaint by a licensee regarding any investigative procedures of the Commission that are unnecessarily disruptive of video lottery **AND TABLE GAMES** operations; **AND**
 - (11) AUTHORIZE A HOLDER OF A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE TO OFFER TABLE GAMES TO THE PUBLIC IN THE STATE.**
- (b) The Commission may:
- (1) issue subpoenas to compel the attendance of witnesses at any place within the State in the course of any investigation or hearing under this subtitle;

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

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

(4) propound written interrogatories.

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

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

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

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

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

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

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

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

(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 **AND TABLE GAMES**;

(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 **AND TABLE GAMES**;

(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, **TABLE GAMES**, and video lottery facilities is conducted legally;

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

(16) DETERMINING THE SUITABILITY OF:

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

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

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

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

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

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

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

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

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

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

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

(i) inspect and examine all premises in which video lottery **AND TABLE GAME** operations under this subtitle are conducted or any authorized **TABLE GAMES, TABLE GAME EQUIPMENT**, video lottery terminals, central monitor and control system, or associated equipment and software designed, built, constructed, assembled, manufactured, sold, distributed, or serviced, or in which records of those activities are prepared or maintained;

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

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

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

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

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

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

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

9-1A-05.

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

- (1) award more than [five] **SIX** video lottery operation licenses;
- (2) award more than [15,000] **16,500** video lottery terminals for operation at video lottery facilities in the State;
- (3) subject to the requirements of § 9-1A-36(h) and (i) of this subtitle, award more than 4,750 terminals for operation at any video lottery facility; and
- (4) for a location in Allegany County:
 - (i) award a video lottery operation license to an applicant that does not agree to purchase the Rocky Gap Lodge and Resort; and
 - (ii) notwithstanding § 9-1A-36(i)(2) of this subtitle, award more than [1,000] **1,500** video lottery terminals for operation at a video lottery facility in Allegany County.

(d) (1) In this subsection, "owner" includes any type of owner or beneficiary of a business entity, including an officer, director, principal employee, partner, investor, stockholder, or beneficial owner of the business entity and, notwithstanding any other

provisions of this subtitle, including a person having any ownership interest regardless of the percentage of ownership interest.

(2) An individual or business entity may not own an interest in more than one video lottery facility.

(3) A member of the Senate of Maryland or the House of Delegates may not be an owner or an employee of any business entity that holds a video lottery operation license.

(4) Notwithstanding paragraphs (1) and (2) of this subsection[.]:

(I) 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; AND

(II) A HOLDER OF A VIDEO LOTTERY OPERATION LICENSE MAY APPLY TO THE VIDEO LOTTERY FACILITY LOCATION COMMISSION FOR AN ADDITIONAL LICENSE PROVIDED THAT THE APPLICATION REQUIRED UNDER § 9-1A-36 OF THIS SUBTITLE INCLUDES A PLAN FOR DIVESTING FROM THE VIDEO LOTTERY OPERATION LICENSE HELD ON THE DATE OF THE APPLICATION.

9-1A-06.

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

(1) a video lottery operator;

(2) a manufacturer;

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

(4) a video lottery employee.

9-1A-11.

(b) (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, a licensee shall commence operation of video lottery terminals in a permanent facility at the location for which the video lottery operation license has been awarded within 18 months after the license is awarded.

(2) (i) On a determination by the Commission that extenuating circumstances exist that are beyond the control of an awardee and have prevented the

awardee from complying with the requirements of paragraph (1) of this subsection, the Commission may allow the awardee an extension of 6 months to comply with the requirements.

(ii) The Commission may not grant more than two extensions to an awardee under this paragraph.

(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE COMMISSION MAY ALLOW AN AWARDEE OF A VIDEO LOTTERY OPERATION LICENSE IN PRINCE GEORGE'S COUNTY TO COMMENCE OPERATION IN A PERMANENT FACILITY MORE THAN 18 MONTHS, BUT NOT MORE THAN 30 MONTHS, AFTER THE LICENSE IS AWARDED.

[(3)] (4) If a video lottery operation awardee fails to comply with the requirements of this subsection, the license awarded to the awardee shall be revoked and shall automatically revert to the State.

(c) (1) Nothing in this subtitle may be construed to prohibit a video lottery operation licensee that is issued a license from beginning video lottery terminal OR TABLE GAME operations in a temporary facility that meets the minimum requirements established in regulations adopted by the State Lottery and Gaming Control Commission.

(3) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY MAY NOT BEGIN VIDEO LOTTERY TERMINAL OR TABLE GAME OPERATIONS IN A TEMPORARY FACILITY OR IN A STRUCTURE, INCLUDING A HOTEL OR CONFERENCE CENTER, THAT EXISTS ON AUGUST 15, 2012.

(d) (1) For a location in Allegany County, if video lottery terminals are permanently located in the Rocky Gap Lodge and Resort, the licensee shall restrict public access to the video lottery facility from the Rocky Gap Lodge and Resort.

(2) (i) Subject to [subparagraph (ii)] SUBPARAGRAPHS (II) AND (III) of this paragraph, for a location in Allegany County, if video lottery terminals are permanently located in the Rocky Gap Lodge and Resort and existing meeting space is eliminated as a result of the video lottery terminals, the licensee shall provide for meeting space that is accessible from the Rocky Gap Lodge and Resort within 36 months after issuance of the video lottery operation license, subject to the approval of the Video Lottery Facility Location Commission and the State Lottery and Gaming Control Commission.

(ii) The licensee shall restrict public access to the video lottery facility from any meeting space provided under subparagraph (i) of this paragraph.

(III) THE LICENSEE MAY NOT BEGIN TABLE GAME OPERATIONS UNTIL THE LICENSEE SUBMITS EVIDENCE SATISFACTORY TO THE STATE LOTTERY AND GAMING CONTROL COMMISSION THAT REPLACEMENT WORK HAS BEGUN TO PROVIDE MEETING SPACE EQUAL TO OR GREATER THAN THE ELIMINATED MEETING SPACE.

9-1A-15.

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

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

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

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

9-1A-18.

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

9-1A-23.

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

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

9-1A-24.

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

9-1A-26.

(a) (1) Except as provided in ~~paragraph (2)~~ paragraphs (2) and (3) of this subsection, all proceeds from the operation of video lottery terminals **AND TABLE GAMES** shall be electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9-1A-27 of this subtitle.

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

(3) The amount from the proceeds of video lottery terminals to be paid to video lottery operation licensees under § 9-1A-27(a)(2) and (7), (b), and (c)(1)(ii) and (2) of this subtitle shall be retained by the licensee.

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

(2) The proceeds from video lottery terminals **AND TABLE GAMES** shall be under the control of the Comptroller and shall be distributed as provided 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 and § 9-1A-26(a)(3) of this subtitle, 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) (i) until the issuance of a video lottery operation license in Baltimore City, 1.75% to the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle and distributed in accordance with that section; and

(ii) on or after the issuance of a video lottery operation license in Baltimore City, 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) (i) except as provided in item (ii) of this item, 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

(ii) 8% to the video lottery operation licensee in Anne Arundel County; [and]

(8) BEGINNING AFTER THE ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE FOR A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY, ~~5%~~ 8% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ANNE ARUNDEL COUNTY AND 7% TO THE LICENSEE IN 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) (i) After 1 year of operations at a video lottery facility in Allegany County, the percentage in subsection (c)(1)(ii) of this section is equal to 50%, provided that each year an amount equivalent to 0.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility; or

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

~~(i)~~ **1.** 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)~~ **2.** 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) (1) EACH VIDEO LOTTERY OPERATION LICENSEE SHALL RETAIN 80% OF THE PROCEEDS OF TABLE GAMES AT THE VIDEO LOTTERY FACILITY.

(2) 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~~ 20% OF THE PROCEEDS OF TABLE GAMES AT THE VIDEO LOTTERY FACILITY 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-33.

(a) (1) The Commission shall:

[(1)] (I) establish an annual fee of \$425, to be paid by each video lottery operation licensee, for each video lottery terminal operated by the licensee during the year, based on the maximum number of terminal positions in use during the year; and

[(2)] (II) distribute the fees collected under item [(1)](I) of this [subsection] PARAGRAPH to the Problem Gambling Fund established in subsection (b) of this section.

(2) THE COMMISSION MAY ESTABLISH AN ANNUAL FEE OF UP TO \$500 FOR EACH TABLE GAME TO BE PAID BY EACH VIDEO LOTTERY OPERATION LICENSEE AND DISTRIBUTED TO THE PROBLEM GAMBLING FUND UNDER

SUBSECTION (B) OF THIS SECTION IN ORDER TO ENSURE SUFFICIENT FUNDS ARE AVAILABLE TO PROVIDE REQUESTED SERVICES.

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:

A. in a nonresidential area;

B. within one-half mile of Interstate 95;

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

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

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

A. zoned for residential use; and

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

(VI) A LOCATION IN PRINCE GEORGE'S COUNTY WITHIN 4 MILES A 4-MILE RADIUS OF THE INTERSECTION OF BOCK ROAD AND ST. BARNABAS ROAD.

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

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

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

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

(IV) A LOCATION IN PRINCE GEORGE'S COUNTY – 3,000 VIDEO LOTTERY TERMINALS;

~~[(iv)]~~ **(v)** a location in Rocky Gap State Park (Allegany County) –~~[1,000]~~ **1,500** video lottery terminals; and

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

(r) (1) Nothing in this subtitle may be construed to require the Video Lottery Facility Location Commission to award all ~~[five]~~ **SIX** video lottery operation 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)~~ THROUGH (5) 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.~~

(I) ANNE ARUNDEL COUNTY, BY NOT MORE THAN 2% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY, THE PERCENTAGE UNDER § 9-1A-27(A)(8) OF THIS SUBTITLE; AND

(II) BALTIMORE CITY, BY NOT MORE THAN 3% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY, THE PERCENTAGE UNDER § 9-1A-27(A)(8) OF THIS SUBTITLE.

(2) IF THE COMMISSION INCREASES THE PERCENTAGE OF PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR THE VIDEO LOTTERY FACILITY IN ANNE ARUNDEL COUNTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL INCREASE THE PERCENTAGE OF PROCEEDS FOR THE VIDEO LOTTERY FACILITY IN BALTIMORE CITY BY AT LEAST THE SAME PERCENTAGE POINT INCREASE AS FOR ANNE ARUNDEL COUNTY.

(3) (I) 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 IN CECIL COUNTY, BY NOT MORE THAN 5% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY, THE PERCENTAGE UNDER § 9-1A-27(A)(2) OF THIS SUBTITLE.

(II) ANY INCREASED DISTRIBUTION OF VIDEO LOTTERY TERMINAL PROCEEDS UNDER THIS PARAGRAPH FOR A VIDEO LOTTERY FACILITY IN CECIL COUNTY SHALL BE USED FOR:

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

2. CAPITAL IMPROVEMENTS AT THE VIDEO LOTTERY FACILITY.

~~(2)~~ (4) (I) ON OR BEFORE JANUARY 1, ~~2015~~ 2019, 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 OR UNDER PARAGRAPH (3) OF THIS SUBSECTION.

(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~~ 2019.

~~(3)~~ **(5) 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, AND COST 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.

Article – Tax – Property

7-244.

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

(2) “Associated equipment” has the meaning stated in § 9-1A-01 of the State Government Article.

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

[(3)] (4) “Video lottery operation license” has the meaning stated in § 9-1A-01 of the State Government Article.

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

(b) Video lottery terminals and any associated equipment or software leased by the State Lottery and Gaming Control Commission as provided in § 9-1A-21 of the State Government Article are not subject to property tax.

(c) An interest of a person in video lottery terminals and any associated equipment or software owned by the State Lottery and Gaming Control Commission as provided in § 9-1A-21 of the State Government Article is not subject to property tax.

(d) Video lottery terminals [and], any associated equipment and software, AND TABLE GAMES owned or leased by a holder of a video lottery operation license are not subject to property tax.

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) (i) until the issuance of a video lottery operation license in Baltimore City, 1.75% to the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle and distributed in accordance with that section; and

(ii) on or after the issuance of a video lottery operation license in Baltimore City, 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) (i) except as provided in item (ii) of this item, 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

(ii) 8% to the video lottery operation licensee in Anne Arundel County;

(8) beginning after the issuance of a video lottery operation license for a video lottery facility in Prince George's County, ~~5%~~ 8% to the video lottery operation licensee in Anne Arundel County and 7% to the licensee in 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) (i) After 1 year of operations at a video lottery facility in Allegany County, the percentage in subsection (c)(1)(ii) of this section is equal to 50%, provided that each year an amount equivalent to 0.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility; or

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

1. 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

2. 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) (1) *Each video lottery operation licensee shall retain 80% of the proceeds of table games at the video lottery facility.*~~

(2) 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~~ [20% of the proceeds

of table games of the video lottery facility 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:

~~(A) (1) (I)~~ 5% TO THE LOCAL JURISDICTION IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED, PROVIDED THAT:

1. 50% OF THE PROCEEDS PAID TO BALTIMORE CITY SHALL BE USED TO FUND SCHOOL CONSTRUCTION PROJECTS; AND

2. 50% OF THE PROCEEDS PAID TO BALTIMORE CITY SHALL BE USED TO FUND THE MAINTENANCE, OPERATION, AND CONSTRUCTION OF RECREATIONAL FACILITIES; AND

~~(H) (2) 80% TO THE VIDEO LOTTERY OPERATION LICENSEE; AND~~

~~(H) (3) (II) THE REMAINDER 15%~~ 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.

(F) ON OR BEFORE DECEMBER 1, 2019, AND EVERY YEAR THEREAFTER, THE STATE LOTTERY AND GAMING CONTROL COMMISSION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE DISTRIBUTION OF PROCEEDS OF VIDEO LOTTERY TERMINALS TO LICENSEES FOR THE PROCUREMENT OF VIDEO LOTTERY TERMINALS; MARKETING, ADVERTISING, AND PROMOTIONAL COSTS; AND CAPITAL IMPROVEMENTS AND THE DISTRIBUTIONS OF LOCAL IMPACT GRANTS TO JURISDICTIONS UNDER § 9-1A-31 OF THIS SUBTITLE.

(G) BALTIMORE CITY SHALL REPORT TO THE BALTIMORE CITY SENATE AND HOUSE DELEGATIONS BY DECEMBER 31 OF EACH YEAR AS TO THE

DISTRIBUTION AND USE OF THE FUNDS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION.

9-1A-31.

(a) (1) ~~The~~ *Except as provided in paragraph [(4)] (7) of this subsection, the* local impact grants provided under § 9-1A-27 of this subtitle shall be distributed [in the following manner:] **AS PROVIDED IN THIS SUBSECTION.**

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

(I) ALLEGANY COUNTY – \$200,000;

(II) CECIL COUNTY – ~~\$200,000~~ \$130,000; AND

(III) TOWN OF PERRYVILLE – \$70,000; AND

~~(III)~~ (IV) WORCESTER COUNTY – \$200,000.

(3) THE REMAINING FUNDS FOR LOCAL IMPACT GRANTS 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)] (4) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year 2032, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection (d) of this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

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

2. the remainder dedicated to the needs of:

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

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

~~[(2)] (4)~~ (i) Of the amount specified under paragraph ~~[(1)(ii)]~~ **(3)(II)** of this subsection, \$1,000,000 shall be provided annually to Prince George's County to be used for ~~capital~~ public safety projects in the community within ~~40~~ 5 miles surrounding Rosecroft Raceway.

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

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

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

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

(7) Beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, 100% of the local impact grants provided under § 9-1A-27 of this subtitle from the proceeds of the video lottery facilities located in Allegany, Cecil, and Worcester counties shall be distributed to the local jurisdictions in which those video lottery facilities are located.

(b) (1) Except as otherwise provided in ~~paragraph (2)~~ paragraphs (2) and (3) of this subsection **AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION**, local impact grants provided under subsection ~~[(a)(1)(i)]~~ **(A)(3)(I)** of this section shall be used for improvements primarily in the communities in immediate proximity to the video lottery facilities and may be used for the following purposes:

- (i) infrastructure improvements;
- (ii) facilities;
- (iii) public safety;

- (iv) sanitation;
 - (v) economic and community development, including housing;
- and
- (vi) other public services and improvements.

(2) In Allegany County, local impact grants provided under subsection [(a)(1)(i)] **(A)(3)(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.

(3) In Baltimore City, local impact grants provided under subsection [(a)(1)(i)] **(A)(3)(I)** of this section shall be used for improvements in the communities in immediate proximity to the video lottery facility and may be used for the following purposes:

- (i) infrastructure improvements;
 - (ii) facilities;
 - (iii) public safety;
 - (iv) sanitation;
 - (v) economic and community development, including housing;
- and
- (vi) other public services and improvements.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IN PRINCE GEORGE'S COUNTY, 40% OF LOCAL IMPACT GRANTS PROVIDED UNDER THIS SECTION SHALL BE USED TO ADDRESS INFRASTRUCTURE NEEDS RELATED TO MARYLAND ROUTE 210 IN PRINCE GEORGE'S COUNTY.

(II) THE AMOUNT OF LOCAL IMPACT GRANTS USED AS PROVIDED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT EXCEED \$15,000,000 IN A FISCAL YEAR.

(III) PRINCE GEORGE'S COUNTY MAY BE REIMBURSED BY THE STATE FOR ANY MONEY USED AS PROVIDED IN THIS PARAGRAPH.

~~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.~~

(c) (1) This subsection applies 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).

(2) A person subject to this section shall submit a campaign finance statement within 48 hours after:

(i) receiving aggregate contributions of \$10,000 or more from any single contributor subsequent to the enactment of this Act or subsequent to the closing date for the person's most recent campaign finance statement or campaign finance report; or

(ii) making aggregate expenditures or becoming obligated to make aggregate expenditures of \$10,000 or more subsequent to the enactment of this Act or subsequent to the closing date for the person's most recent campaign finance statement or campaign finance report.

(3) A campaign finance statement submitted under this subsection shall include only:

(i) the identity of the contributor who made aggregate contributions of \$10,000 or more and the total amount of contributions the contributor made subsequent to the enactment of this Act or subsequent to the closing date for the most recent campaign finance statement or campaign finance report; or

(ii) the total amount of aggregate expenditures of \$10,000 or more made or obligated to be made subsequent to the enactment of this Act or subsequent to the closing date for the most recent campaign finance statement or campaign finance report.

(d) (1) This subsection applies 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).

(2) A person subject to this section shall submit a campaign finance statement within 48 hours after:

(i) receiving aggregate contributions of \$5,000 or more from any single contributor on or after October 22, 2012 or subsequent to the closing date for the person's most recent campaign finance statement; or

(ii) making aggregate expenditures or becoming obligated to make aggregate expenditures of \$5,000 or more on or after October 22, 2012 or subsequent to the closing date for the person's most recent campaign finance statement.

(3) A campaign finance statement submitted under this subsection shall include only:

(i) the identity of the contributor who made aggregate contributions of \$5,000 or more and the total amount of contributions the contributor made on or after October 22, 2012 or subsequent to the closing date for the most recent campaign finance statement; or

(ii) the total amount of aggregate expenditures of \$5,000 or more made or obligated to be made on or after October 22, 2012 or subsequent to the closing date for the most recent campaign finance statement.

~~(d)~~ (e) 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~~ on the next business day 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 (e) 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.~~

(f) (1) The State Prosecutor may assess a penalty against any person subject to this section who fails to file a campaign finance statement or campaign finance report in a timely manner.

(2) A penalty under this subsection shall equal the greater of:

(i) \$1,000 for each day or part of a day that a campaign finance statement or campaign finance report is overdue; or

(ii) 10% of the amount of contributions or expenditures that were not reported in a timely manner.

(3) Except as otherwise provided in this subsection, a penalty under this subsection shall be assessed in accordance with § 13-604(b) through (f) of the Election Law Article.

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 8A. AND BE IT FURTHER ENACTED, That:

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

(2) "Own" has the meaning stated in § 9-1A-01 of the State Government Article.

(3) "Regulated lobbyist" has the meaning stated in § 15-701 of the State Government Article.

(4) "Video lottery facility" has the meaning stated in § 9-1A-01 of the State Government Article.

(5) "Video lottery operation license" has the meaning stated in § 9-1A-01 of the State Government Article.

(b) In addition to any report required under § 15-704 of the State Government Article, a regulated lobbyist that sought to influence executive or legislative action related to gaming issues in the General Assembly's Second Special Session of 2012 shall submit a report on or before September 17, 2012, to the State Ethics Commission on a form prepared by the Commission that details:

(1) all amounts expended for the purpose of influencing executive or legislative action in the special session and the nature of the expenditures by categories, as determined by the Commission;

(2) all amounts disbursed to any third-party groups or entities for purposes of influencing executive or legislative action in the special session and the dates of the disbursements; and

(3) any contributions, loans, transfers, in-kind contributions, or other transfers of value to ~~a campaign finance entity~~ the regulated lobbyist from an applicant for a video lottery operation license, a holder of a video lottery operation license, or a person who owns an interest in the operation of a video lottery facility during the prior 6 months, including the dates and amounts of the contributions, loans, transfers, in-kind contributions, or other transfers of value.

(c) A person who violates this section is subject to enforcement provisions set forth in Title 15, Subtitle 9 of the State Government Article.

~~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 9. AND BE IT FURTHER ENACTED, That, on or before February 1, 2013, the holder of a license to hold a race meeting in the State that is eligible to receive funds from the Racetrack Facility Renewal Account under § 9-1A-29 of the State Government Article shall submit a preliminary capital improvement plan to the State Racing Commission and the Department of Budget and Management. The preliminary capital improvement plan shall include a description of the racing licensee's planned capital improvements, a preliminary project schedule, and an estimate of the funding to be requested from the Account. If the preliminary report is not submitted by the date required in this section, the racing licensee shall forfeit any right to funds in the Account and, notwithstanding any other provision of law, any unencumbered funds remaining in the Account that would otherwise be available to the racing licensee shall be paid to the Education Trust Fund established under § 9-1A-30 of the State Government Article. The racing licensee shall submit a formal funding request as provided under § 9-1A-29 of the State Government Article and regulations adopted by the State Racing Commission.

SECTION 9A. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that video lottery operation licensees partner with Maryland institutions of higher education, such as Morgan State University and Prince George's Community College, to offer job training programs in the gaming and hospitality industries.

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.

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

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

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

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

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

SECTION 16. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the

Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of the Second Special Session of 2012 that affects provisions enacted by this Act. The publishers shall adequately describe any such correction in an editor's note following the section affected.

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

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

SECTION 19. AND BE IT FURTHER ENACTED, That the provisions of § 12-309 of the Courts Article, as amended by Section 1 of this Act, shall take effect August 15, 2012, and shall apply to any appeal pending as of that date.

SECTION 20. AND BE IT FURTHER ENACTED, That Sections 7 and 8A of this Act shall take effect on enactment of this Act.

SECTION ~~19~~ ~~20~~ 21. AND BE IT FURTHER ENACTED, That, except as otherwise provided in this Act, this Act shall take effect October 1, 2012.

Approved by the Governor, August 15, 2012.