

HOUSE BILL 187

C7
HB 371/15 – W&M

6lr2050

By: **Delegate Bromwell**

Introduced and read first time: January 21, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Video Lottery Operation License – Baltimore–Washington**
3 **International Thurgood Marshall Airport**

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

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–1A–05(a), 9–1A–27(a)(9), and 9–1A–36(f), (g), (h), (i), (j), (r)(1), and (t)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2015 Supplement)

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

23 **Article – State Government**

24 9–1A–05.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) award more than [six] SEVEN video lottery operation licenses;

2 (2) award more than [16,500] 19,000 video lottery terminals for operation
3 at video lottery facilities in the State;

4 (3) subject to the requirements of ITEM (4) OF THIS SUBSECTION AND §
5 9-1A-36(h) and (i) of this subtitle, award more than 4,750 terminals for operation at any
6 video lottery facility; [and]

7 (4) AWARD MORE THAN 2,500 VIDEO LOTTERY TERMINALS FOR
8 OPERATION AT BALTIMORE-WASHINGTON INTERNATIONAL THURGOOD
9 MARSHALL AIRPORT; AND

10 [(4)] (5) for a location in Allegany County:

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

13 (ii) notwithstanding § 9-1A-36(i)(2) of this subtitle, award more
14 than 1,500 video lottery terminals for operation at a video lottery facility in Allegany
15 County.

16 9-1A-27.

17 (a) Except as provided in subsections (b) and (c) of this section and §
18 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the
19 Commission, the Comptroller shall pay the following amounts from the proceeds of video
20 lottery terminals at each video lottery facility:

21 (9) the remainder to:

22 (I) the Education Trust Fund established under § 9-1A-30 of this
23 subtitle; OR

24 (II) IF THE PROCEEDS ARE FROM THE VIDEO LOTTERY
25 TERMINALS AT BALTIMORE-WASHINGTON INTERNATIONAL THURGOOD
26 MARSHALL AIRPORT, THE TRANSPORTATION TRUST FUND.

27 9-1A-36.

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

1 (g) (1) **THIS SUBSECTION DOES NOT APPLY TO A VIDEO LOTTERY**
 2 **OPERATION LICENSE AWARDED FOR A LOCATION AT BALTIMORE–WASHINGTON**
 3 **INTERNATIONAL THURGOOD MARSHALL AIRPORT.**

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

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

9 (i) a location in Anne Arundel County, within 2 miles of MD Route
 10 295;

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

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

14 (iv) a location in Worcester County, within 1 mile of the intersection
 15 of Route 50 and Route 589;

16 (v) a location in Baltimore City **ON PROPERTY** that is:

17 1. located:

18 A. in a nonresidential area;

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

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

21 D. [on property that] **IN AND** is owned by Baltimore City on
 22 the date on which the application for a video lottery operation license is submitted; and

23 2. not adjacent to or within one–quarter mile of property that
 24 is:

25 A. zoned for residential use; and

26 B. used for a residential dwelling on the date the application
 27 for a video lottery operation license is submitted; [or]

28 (vi) a location in Prince George’s County within a 4–mile radius of
 29 the intersection of Bock Road and St. Barnabas Road; **OR**

1 (VII) IN ENCLOSED AREAS AT THE TERMINAL BUILDING WITHIN
2 THE SECURITY PERIMETER OF BALTIMORE-WASHINGTON INTERNATIONAL
3 THURGOOD MARSHALL AIRPORT.

4 (2) Nothing in this subtitle may be construed to preempt the exclusive
5 authority of the Video Lottery Facility Location Commission to award video lottery
6 operation licenses in accordance with this subtitle.

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

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

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

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

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

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

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

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

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

30 (iv) a location in Prince George's County – 3,000 video lottery
31 terminals;

32 (v) a location in Rocky Gap State Park (Allegany County) – 1,500
33 video lottery terminals; [and]

1 (vi) a location in Worcester County – 2,500 video lottery terminals;
2 **AND**

3 **(VII) A LOCATION AT THE TERMINAL BUILDING AND**
4 **SURROUNDING AREA WITHIN THE SECURITY PERIMETER OF**
5 **BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT**
6 **– 2,500 VIDEO LOTTERY TERMINALS.**

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

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

20 (ii) In determining the highest potential revenues to be achieved by
21 additional video lottery terminals at each potential location, the State Lottery and Gaming
22 Control Commission shall consider the market performance of the existing video lottery
23 terminals at each location.

24 (j) (1) (i) Except as provided in subparagraph (ii) of this paragraph **AND**
25 **PARAGRAPH (2) OF THIS SUBSECTION**, an application submitted for a video lottery
26 operation license under this section shall include an initial license fee in the application of
27 at least \$3,000,000 for each 500 video lottery terminals included in the application.

28 (ii) For an application submitted for a video lottery operation license
29 in Allegany County, the initial license fee for up to 500 video lottery terminals shall be
30 waived.

31 **(2) AN APPLICATION SUBMITTED FOR A VIDEO LOTTERY OPERATION**
32 **LICENSE AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL**
33 **AIRPORT SHALL BE SUBMITTED BY APRIL 15, 2018.**

34 **[(2)] (3)** All initial license fees submitted under this subtitle shall accrue
35 to the Education Trust Fund established under § 9–1A–30 of this subtitle.

1 ~~[(3)]~~ (4) (i) An application submitted for a video lottery operation
2 license under this section shall provide for at least \$25,000,000 in direct investment by the
3 applicant in construction and related costs for each 500 video lottery terminals contained
4 in the proposed application that shall be prorated based on the exact number of video
5 lottery terminals contained in the application.

6 (ii) For an application submitted for a video lottery operation license
7 in Allegany County, the purchase price for the Rocky Gap Lodge and Resort shall be
8 counted in the calculation of the applicant's direct investment under this paragraph, as
9 determined by the Video Lottery Facility Location Commission.

10 (r) (1) Nothing in this subtitle may be construed to require the Video Lottery
11 Facility Location Commission to award all ~~[six]~~ SEVEN video lottery operation licenses
12 authorized under this subtitle.

13 (t) (1) Except as provided in paragraph (2) of this subsection, the Video
14 Lottery Facility Location Commission shall terminate on January 1, 2015.

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

18 (i) ~~[one]~~ 1 year prior to the expiration of a video lottery operation
19 license; ~~[or]~~

20 (ii) following the revocation or surrender of a video lottery operation
21 license; **OR**

22 **(III) FOLLOWING AUTHORIZATION OF AN ADDITIONAL VIDEO**
23 **LOTTERY OPERATION LICENSE AT BALTIMORE-WASHINGTON INTERNATIONAL**
24 **THURGOOD MARSHALL AIRPORT.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That before this Act, which
26 authorizes an expansion of commercial gaming, becomes effective it shall first be submitted
27 to a referendum of the qualified voters of the State at the general election to be held in
28 November of 2016, in accordance with Article XIX, § 1(e) of the Maryland Constitution. The
29 State Board of Elections shall do those things necessary and proper to provide for and hold
30 the referendum required by this section. If a majority of the votes cast on the question are
31 "For the referred law" the provisions of this Act shall become effective on the 30th day
32 following the official canvass of votes for the referendum, but if a majority of the votes cast
33 on the question are "Against the referred law" the provisions of this Act are of no effect and
34 null and void.

35 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of
36 Section 2 of this Act and for the sole purpose of providing for the referendum required by
37 Section 2 of this Act, this Act shall take effect July 1, 2016.