C7 6lr1576 CF SB 543

By: Delegates Jameson, Patterson, and C. Wilson

Introduced and read first time: February 4, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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Video Lottery Facilities - Charles County - Expansion and Use of Proceeds

3 FOR the purpose of authorizing the awarding of an additional video lottery operation 4 license and a certain number of additional video lottery terminals for a video lottery 5 facility in Charles County in a vessel moored to a pier on the Potomac River; 6 specifying that certain proceeds from the video lottery terminals and table games be 7 paid to the Governor Harry W. Nice Memorial Bridge Fund; exempting the Fund 8 from a certain provision of law requiring interest earnings on State money in special 9 funds to accrue to the General Fund of the State; repealing certain prohibitions 10 against a video lottery operation licensee providing food or alcoholic beverages to 11 individuals at no cost; altering the amount the Comptroller pays to certain video 12 lottery operation licensees from the proceeds of video lottery terminals; providing for 13 the reconstitution of the Video Lottery Facility Location Commission under certain circumstances; establishing the Governor Harry W. Nice Memorial Bridge Fund as 14 15 a special, nonlapsing fund; specifying that the purpose of the Fund is to help defray 16 the costs of replacing the Governor Harry W. Nice Memorial Bridge; requiring the 17 Department of Transportation to administer the Fund; requiring the State Treasurer 18 to hold the Fund and the Comptroller to account for the Fund; specifying the contents 19 of the Fund; specifying the purpose for which the Fund may be used; providing for 20 the investment of money in and expenditures from the Fund; defining a certain term; 21 submitting this Act to a referendum of the qualified voters of the State; providing for 22 the effective date of certain provisions of this Act; making certain provisions of this 23 Act subject to a certain contingency; and generally relating to gaming in the State.

- 24 BY repealing and reenacting, without amendments,
- 25 Article State Finance and Procurement
- 26 Section 6–226(a)(1) and (2)(i)
- 27 Annotated Code of Maryland
- 28 (2015 Replacement Volume)
- 29 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2 3 4	Article – State Finance and Procurement Section 6–226(a)(2)(ii)84. and 85. Annotated Code of Maryland (2015 Replacement Volume)
5 6 7 8 9	BY repealing and reenacting, with amendments, Article – State Finance and Procurement Section 6–226(a)(2)(ii)86. Annotated Code of Maryland (2015 Replacement Volume)
10 11 12 13 14	BY repealing and reenacting, with amendments, Article – State Government Section 9–1A–05(a), 9–1A–24, and 9–1A–36(f), (h)(1), (i)(1), (r)(1), and (t) Annotated Code of Maryland (2014 Replacement Volume and 2015 Supplement)
15 16 17 18 19 20 21	BY repealing and reenacting, with amendments, Article – State Government Section 9–1A–27 Annotated Code of Maryland (2014 Replacement Volume and 2015 Supplement) (As enacted by Chapter 1 of the Acts of the General Assembly of the 2012 2nd Special Session)
22 23 24 25 26	BY adding to Article – State Government Section 9–1A–30.1 Annotated Code of Maryland (2014 Replacement Volume and 2015 Supplement)
27 28	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
29	Article - State Finance and Procurement
30	6–226.
31 32 33	(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.
34 35 36 37	(2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to

1 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General 2Fund of the State. 3 (ii) The provisions of subparagraph (i) of this paragraph do not apply 4 to the following funds: the Economic Development Marketing Fund; [and] 5 84. 6 85. the Military Personnel and Veteran-Owned Small 7 Business No-Interest Loan Fund; AND 86. THE HARRY W. NICE MEMORIAL BRIDGE FUND. 8 9 Article - State Government 9-1A-05. 10 11 (a) The Video Lottery Facility Location Commission established under § 9–1A–36 12 of this subtitle may not: 13 award more than [six] **SEVEN** video lottery operation licenses; (1)14 (2)award more than [16,500] **18,000** video lottery terminals for operation 15 at video lottery facilities in the State; 16 subject to the requirements of § 9-1A-36(h) and (i) of this subtitle, 17 award more than 4,750 terminals for operation at any video lottery facility; and 18 (4) for a location in Allegany County: 19 (i) award a video lottery operation license to an applicant that does 20not agree to purchase the Rocky Gap Lodge and Resort; and 21notwithstanding § 9-1A-36(i)(2) of this subtitle, award more 22than 1,500 video lottery terminals for operation at a video lottery facility in Allegany 23County. 249-1A-24. 25(a) Except as provided in subsection (b) of this section, the THE Commission 26shall ensure that a video lottery operation licensee complies with the requirements of this 27 section as a condition of holding the video lottery operation license. 28 (b) The county alcoholic beverages licensing authority for the county in

which a video lottery facility is located shall ensure that the video lottery operation licensee

complies with the requirements of this subsection.

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- 1 (2) Except as provided in paragraph (4) of this subsection, a video lottery 2 operation licensee may not provide food or alcoholic beverages to individuals at no cost.
 - (3) Any food or alcoholic beverages offered by a video lottery operation licensee for sale to individuals may be offered only at prices that are determined by the county alcoholic beverages licensing authority to be commensurate with the price of similar types of food and alcoholic beverages at restaurants in the county in which the video lottery facility is located.
- 8 (4) A video lottery operation licensee may provide food at no cost to 9 individuals to the same extent allowed under Article 2B, § 12–106 of the Code for a person 10 engaged in the sale or barter of spirituous, malt, or intoxicating liquors and licensed under 11 the laws of Maryland.
- (c)] (1) Except as provided in paragraph (2) of this subsection, 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.
- 17 (2) A video lottery operation licensee may allow a video lottery employee 18 who is an adult to enter or remain in an area within the video lottery facility that is 19 designated for table game or video lottery terminal activities if the video lottery employee 20 is working.
- [(d)] (C) (1) By regulation, the Commission shall provide for the establishment of a list of individuals who are to be mandatorily excluded or ejected by a video lottery operation licensee from any video lottery operation licensed under this subtitle.
- 25 (2) The regulations under this subsection shall define the standards for exclusion or ejection and shall include standards relating to individuals:
- 27 (i) who are career offenders as defined by regulations adopted by the 28 Commission;
- 29 (ii) who have been convicted of a criminal offense under the laws of 30 the United States or any jurisdiction within the United States that is a criminal offense 31 involving moral turpitude or a gambling offense; or
- 32 (iii) whose presence in the establishment of a licensee would be 33 adverse to the interest of the State, the licensee, or the person.
- 34 (3) The Commission may impose sanctions on a licensee in accordance with 35 this subtitle if the licensee knowingly fails to exclude or eject from the premises of the

1 licensee an individual placed by the Commission on the list of individuals to be excluded or 2eiected. 3 **(4)** An order under this subsection is subject to judicial review. 4 [(e)] **(D)** (1) By regulation, the Commission shall adopt measures that are intended to reduce or mitigate the effects of problem gambling. 5 6 (2)The regulations shall: 7 (i) include establishment of a voluntary exclusion list of individuals 8 with gambling problems who have requested to be excluded from any video lottery 9 operation licensed under this subtitle; and 10 provide a simple mechanism for an individual who is sober and 11 informed to request placement on the voluntary exclusion list for a specified period of time. 12 A video lottery operation licensee may not permit an individual on the (3)13 voluntary exclusion list to enter into the video lottery facility or to play a video lottery 14 terminal. 15 (4) The Commission may impose sanctions on a licensee in accordance with 16 this subtitle if the licensee knowingly fails to exclude from the premises of the licensee an individual on the voluntary exclusion list. 17 18 [(f)] **(E)** In order to protect the public interest, the regulations shall include provisions that: 19 limit the number and location of and maximum withdrawal amounts 2021from automated teller machines: 22 (2)prohibit authorized automated teller machines from accepting electronic benefit cards, debit cards, or similar negotiable instruments issued by the 2324Department of Human Resources for the purpose of accessing temporary cash assistance; 25 (3)require payouts above an amount adopted by the Commission to be made by check; 2627 require conspicuous disclosures related to the payout of video lottery (4) 28terminals; 29 limit the dollar amount that video lottery terminals will accept; (5)

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

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31 32

terminals:

(6)

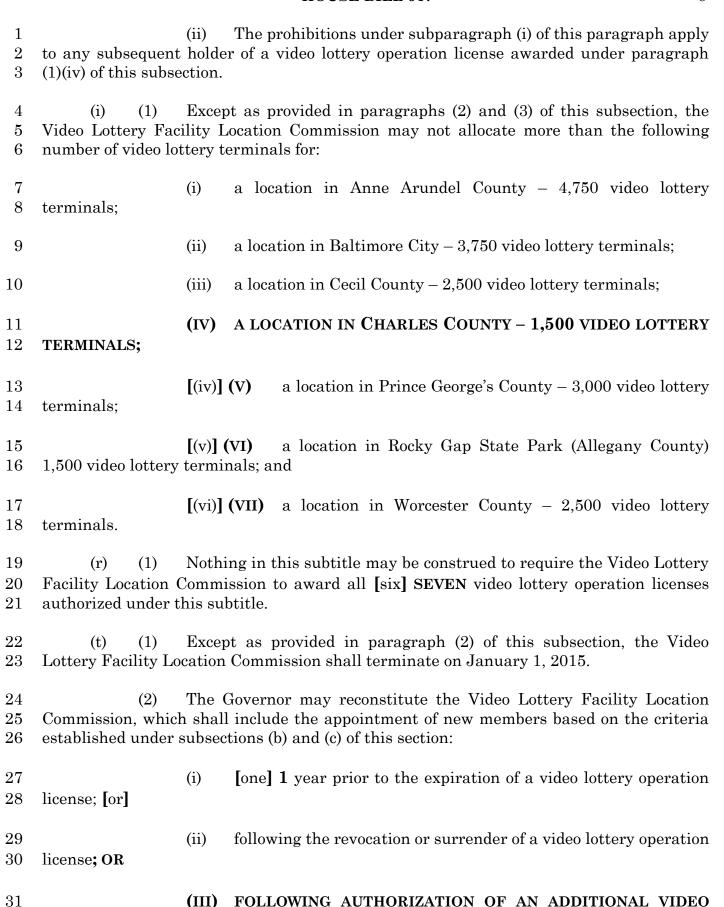
- 1 provide consumers with a record of video lottery terminal spending (7)2 levels if marketing measures are utilized that track consumer spending at video lottery 3 facilities: 4 (8)prohibit consumers from cashing paychecks at video lottery facilities; 5 and 6 prohibit video lottery operation licensees from engaging in or (9)7 contracting with another to engage in predatory marketing practices. 8 [(g)] **(F)** A video lottery operation licensee may not, directly or indirectly, (1) 9 interfere with, hinder, obstruct, impede, or take any action to delay the implementation or 10 establishment of a video lottery facility by any other licensee or applicant for a video lottery 11 operation license awarded or issued under this subtitle. 12 The Commission shall adopt regulations, to the fullest extent allowed by the first amendment of the Constitution of the United States, to carry out the 13 provisions of this subsection. 14 15 (ii) The regulations adopted under this subsection shall include provisions: 16 17 1. that expressly prohibit: 18 taking any of the actions described in paragraph (1) of this A. 19 subsection relating to the issuance of required State or local governmental approvals for 20 the establishment of a video lottery facility; or 21В. providing funding or other material support to engage in any of the actions described in paragraph (1) of this subsection; 22 23 2. that prohibit, as unlawful indirect conduct, activity: 24A. by an entity in which the licensee owns a beneficial or 25proprietary interest; or 26 by an entity in which an affiliate of the licensee owns a В. 27 beneficial or proprietary interest; and 28 3. that allow the Commission to impose sanctions and 29 penalties in accordance with § 9-1A-25 of this subtitle if a licensee knowingly violates
- 9-1A-30.1. 31

paragraph (1) of this subsection.

IN THIS SECTION, "FUND" MEANS THE GOVERNOR HARRY W. NICE 32 MEMORIAL BRIDGE FUND. 33

- 1 (B) THERE IS A GOVERNOR HARRY W. NICE MEMORIAL BRIDGE FUND.
- 2 (C) THE PURPOSE OF THE FUND IS TO HELP DEFRAY THE COSTS OF
- 3 REPLACING, WITH A FOUR-LANE BRIDGE, THE GOVERNOR HARRY W. NICE
- 4 MEMORIAL BRIDGE, WHICH CONNECTS CHARLES COUNTY, MARYLAND, AND KING
- 5 GEORGE COUNTY, VIRGINIA, ACROSS THE POTOMAC RIVER.
- 6 (D) THE DEPARTMENT OF TRANSPORTATION SHALL ADMINISTER THE 7 FUND.
- 8 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT 9 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
- 10 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, 11 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
- 12 **(F)** THE FUND CONSISTS OF:
- 13 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 9–1A–27(A)(9)
- 14 AND (D)(2)(II) OF THIS SUBTITLE;
- 15 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND
- 16 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 17 THE BENEFIT OF THE FUND.
- 18 (G) THE FUND MAY BE USED ONLY FOR DEFRAYING THE COSTS OF 19 REPLACING THE HARRY W. NICE MEMORIAL BRIDGE.
- 20 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND 21 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.
- 22 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO 23 THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9–1A–30 OF THIS SUBTITLE.
- 24 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE 25 WITH THE STATE BUDGET.
- 26 9–1A–36.
- 27 (f) The Video Lottery Facility Location Commission may award not more than
- 28 [six] SEVEN video lottery operation licenses to qualified applicants, through a competitive

- 1 process consistent with the process for competitive sealed proposals under Title 13 of the 2State Finance and Procurement Article. 3 (h) In order to qualify for a video lottery operation license under this 4 section, a proposed video lottery facility shall be located in one of the following counties: 5 (i) a location in Anne Arundel County, within 2 miles of MD Route 6 295; 7 a location in Cecil County, within 2 miles of Interstate 95; (ii) 8 (iii) a location on State property associated with the Rocky Gap State 9 Park in Allegany County; 10 a location in Worcester County, within 1 mile of the intersection (iv) 11 of Route 50 and Route 589; 12(v) a location in Baltimore City that is: located: 13 1. 14 Α. in a nonresidential area; 15 В. within one-half mile of Interstate 95: C. within one-half mile of MD Route 295; and 16 17 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 18 19 2. not adjacent to or within one-quarter mile of property that 20 is: zoned for residential use; and 21A. 22В. used for a residential dwelling on the date the application for a video lottery operation license is submitted; [or] 2324(vi) a location in Prince George's County within a 4-mile radius of the intersection of Bock Road and St. Barnabas Road; OR 2526 (VII) SUBJECT TO § 16–105 OF THE ENVIRONMENT ARTICLE, A
- 27 LOCATION IN CHARLES COUNTY ON A VESSEL MOORED TO A PIER ON THE POTOMAC 28 RIVER, WITHIN 1 MILE OF WASHINGTON AVENUE IN COLONIAL BEACH, VIRGINIA.

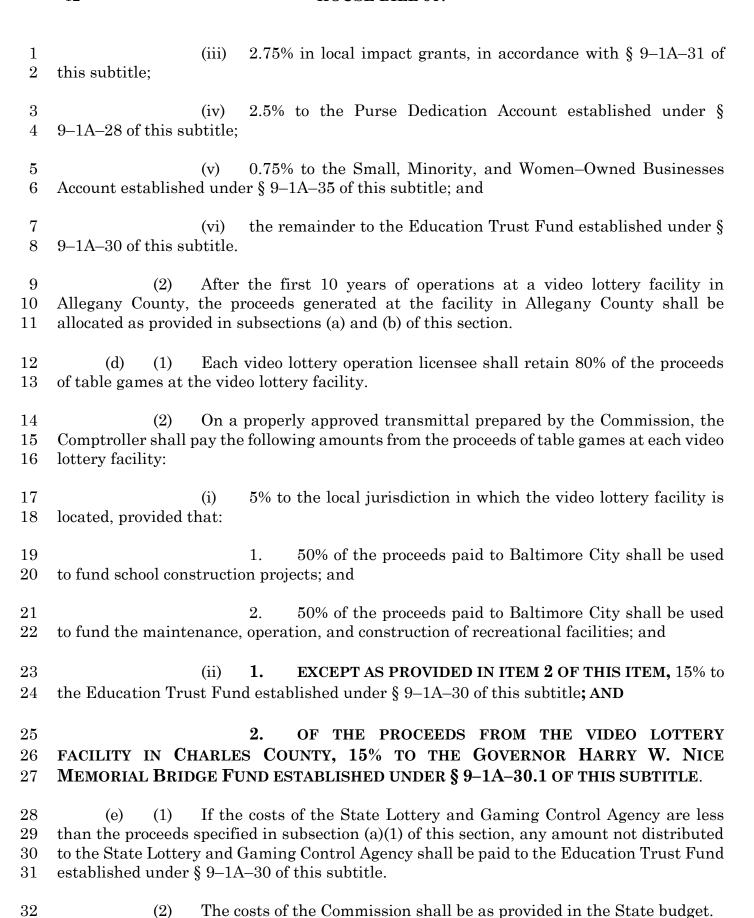


LOTTERY OPERATION LICENSE AT A LOCATION IN CHARLES COUNTY.

- SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
- 3 9-1A-27.
- 4 (a) Except as provided in subsections (b) and (c) of this section and § 5 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the 6 Commission, the Comptroller shall pay the following amounts from the proceeds of video
- 7 lottery terminals at each video lottery facility:
- 8 (1) (i) on or before March 31, 2015, 2% to the State Lottery and Gaming 9 Control Agency for costs as defined in § 9–1A–01 of this subtitle; and
- 10 (ii) beginning April 1, 2015, 1% to the State Lottery and Gaming 11 Control Agency for costs as defined in § 9–1A–01 of this subtitle;
- 12 (2) **40**% 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%];
- 15 (3) 5.5% in local impact grants, in accordance with $\S 9-1A-31$ of this 16 subtitle;
- 17 (4) 6% to the Purse Dedication Account established under $\S 9-1A-28$ of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;
- 19 (5) (i) until the issuance of a video lottery operation license in 20 Baltimore City, 1.75% to the Racetrack Facility Renewal Account established under § 21 9–1A–29 of this subtitle and distributed in accordance with that section; and
- 22 (ii) on or after the issuance of a video lottery operation license in Baltimore City, 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 \$20,000,000 to the Account annually;
- 26 (6) 1.5% to the Small, Minority, and Women–Owned Businesses Account established under \S 9–1A–35 of this subtitle;
- 28 (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
- 31 (ii) 8% to the video lottery operation licensee in Anne Arundel 32 County;

- 1 beginning after the issuance of a video lottery operation license for a 2 video lottery facility in Prince George's County, 8% to the video lottery operation licensee 3 in Anne Arundel County and 7% to the licensee in Baltimore City for: marketing, advertising, and promotional costs required under § 4 9-1A-23 of this subtitle; and 5 6 capital improvements at the video lottery facilities; and (ii) 7 (9)**(I)** EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM, the 8 remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle; AND 9 (II)THE REMAINDER OF THE PROCEEDS FROM THE VIDEO LOTTERY FACILITY LOCATED IN CHARLES COUNTY TO THE GOVERNOR HARRY W. 10 NICE MEMORIAL BRIDGE FUND ESTABLISHED UNDER § 9-1A-30.1 OF THIS 11 12 SUBTITLE. 13 Beginning July 1, 2013, for a video lottery facility in Worcester County (b) (1) with less than 1,000 video lottery terminals, the percentage in subsection (a)(2) of this 14 15 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 16 improvements at the video lottery facility. 17 After the first 10 years of operations at a video lottery facility in 18 Allegany County, the percentage: 19 20 in subsection (a)(2) of this section is equal to 43% provided that 21 each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the 22video lottery facility is spent on capital improvements at the video lottery facility; and 23 in subsection (a)(1) of this section is equal to 2%. (ii) 24For a video lottery facility in Prince George's County, the percentage in 25subsection (a)(2) of this section stated in the accepted application for the location may not 26 exceed 38%. 27 (1) (c) 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 2829 shall pay the following amounts from the proceeds of video lottery terminals at a video 30 lottery facility in Allegany County: 31 2% to the State Lottery and Gaming Control Agency for costs as
- 33 (ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

defined in § 9–1A–01 of this subtitle;



- (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 this 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.
- SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this Act, Section 2 of this Act shall take effect contingent on the taking effect of Chapter 1 of the Acts of the General Assembly of the 2012 2nd Special Session, and if Chapter 1 does not become effective, Section 2 of this Act shall be null and void without the necessity of further action by the General Assembly.
 - SECTION 4. AND BE IT FURTHER ENACTED, That before this Act, which authorizes an additional location for video lottery gaming and table games, becomes effective it shall first be submitted to a referendum of the qualified voters of the State at the general election to be held in November of 2016, in accordance with Article XIX, § 1(e) of the Maryland Constitution. 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 referred law" the provisions of this Act shall become effective on the 30th day following the official canvass of votes for the referred law" the provisions of this Act are of no effect and null and void.
 - SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Sections 3 and 4 of this Act and for the sole purpose of providing for the referendum required by Section 4 of this Act, this Act shall take effect October 1, 2016.