

HOUSE BILL 811

C7

7lr1647
CF SB 663

By: **Delegates Buckel, Beitzel, and McKay**

Introduced and read first time: February 3, 2017

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 27, 2017

CHAPTER _____

1 AN ACT concerning

2 **Allegany County – ~~Gaming – Video Lottery Operation Licensee~~ Video Lottery**
3 **Terminal Proceeds – Use of Local Impact Grants**

4 ~~FOR the purpose of altering the distribution of the proceeds of video lottery terminals~~
5 ~~located in Allegany County if certain conditions are met; providing a certain~~
6 ~~distribution from the proceeds of video lottery terminals to a certain licensee in~~
7 ~~Allegany County to be used for certain purposes; altering the amount of proceeds of~~
8 ~~video lottery terminals in Allegany County that are required to be used for certain~~
9 ~~local impact grants; extending a certain distribution formula for the proceeds of video~~
10 ~~lottery terminals in Allegany County for a certain number for years; and generally~~
11 ~~relating to the distribution of video lottery terminal proceeds in Allegany County.~~

12 FOR the purpose of requiring that a certain percentage of the local impact grants
13 distributed to Allegany County from certain proceeds of video lottery terminals be
14 used for certain purposes; and generally relating to the use of local impact grants
15 from video lottery terminals in Allegany County.

16 ~~BY repealing and reenacting, without amendments,~~
17 ~~Article – State Government~~
18 ~~Section ~~9-1A-21(a)(2)~~~~
19 ~~Annotated Code of Maryland~~
20 ~~(2014 Replacement Volume and 2016 Supplement)~~

21 BY repealing and reenacting, with amendments,
22 Article – State Government
23 Section ~~9-1A-27(a)(7), (8), and (9)~~ and ~~(e)~~ 9-1A-31(b)(2)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2014 Replacement Volume and 2016 Supplement)

3 ~~BY adding to~~
4 ~~Article – State Government~~
5 ~~Section 9-1A-27(a)(9)~~
6 ~~Annotated Code of Maryland~~
7 ~~(2014 Replacement Volume and 2016 Supplement)~~

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

10 **Article – State Government**

11 9-1A-31.

12 (b) (2) (I) **[In] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
13 IN Allegany County, local impact grants provided under subsection (a)(3)(i) of this section
14 may be used:

15 [(i)] **1.** for purposes listed in paragraph (1) of this subsection
16 throughout the county; and

17 [(ii)] **2.** to pay down the debt incurred by the county in the
18 construction and related costs for the golf course, lodge, and other improvements in Rocky
19 Gap State Park.

20 **(II) AT LEAST 20% OF THE LOCAL IMPACT GRANTS PROVIDED**
21 **UNDER SUBSECTION (A)(3)(I) OF THIS SECTION IN ALLEGANY COUNTY SHALL BE**
22 **USED FOR CAPITAL PROJECTS FOR MUNICIPALITIES AND NONPROFIT**
23 **ORGANIZATIONS IN THE COUNTY.**

24 ~~9-1A-21.~~

25 (a) (2) (i) ~~Except as provided in subparagraphs (ii) and (iii) of this~~
26 ~~paragraph, each video lottery terminal device and the associated equipment and software~~
27 ~~shall be owned or leased by the video lottery facility.~~

28 (ii) ~~1. Subject to subsubparagraph 2 of this subparagraph, for a~~
29 ~~video lottery facility located in Allegany County or Worcester County, each video lottery~~
30 ~~terminal device and the associated equipment and software shall be owned or leased by the~~
31 ~~Commission.~~

32 ~~2. A video lottery facility located in Allegany County or~~
33 ~~Worcester County may apply to the Commission for permission to assume ownership or the~~
34 ~~right to lease each video lottery terminal device used by the facility.~~

1 (iii) ~~For a video lottery facility located in Anne Arundel County or~~
2 ~~Cecil County, the Commission shall own each video lottery terminal device and the~~
3 ~~associated equipment and software through March 31, 2015.~~

4 ~~9-1A-27.~~

5 (a) ~~Except as provided in subsections (b) and (c) of this section and~~
6 ~~§ 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the~~
7 ~~Commission, the Comptroller shall pay the following amounts from the proceeds of video~~
8 ~~lottery terminals at each video lottery facility:~~

9 (7) (i) ~~except as provided in [item] ITEMS (ii) AND (iii) of this item, 6%~~
10 ~~to the video lottery operation licensee if the video lottery operation licensee owns or leases~~
11 ~~each video lottery terminal device and the associated equipment and software; [and]~~

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

14 (iii) ~~12% TO THE VIDEO LOTTERY OPERATION LICENSEE IN~~
15 ~~ALLEGANY COUNTY IF THE VIDEO LOTTERY OPERATION LICENSEE ASSUMES~~
16 ~~OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY TERMINAL DEVICE AND~~
17 ~~THE ASSOCIATED EQUIPMENT AND SOFTWARE;~~

18 (8) ~~beginning after the issuance of a video lottery operation license for a~~
19 ~~video lottery facility in Prince George's County, 8% to the video lottery operation licensee~~
20 ~~in Anne Arundel County and 7% to the licensee in Baltimore City for:~~

21 (i) ~~marketing, advertising, and promotional costs required under §~~
22 ~~9-1A-23 of this subtitle; and~~

23 (ii) ~~capital improvements at the video lottery facilities; [and]~~

24 (9) ~~2% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ALLEGANY~~
25 ~~COUNTY FOR MARKETING, ADVERTISING, AND PROMOTIONAL COSTS REQUIRED~~
26 ~~UNDER § 9-1A-23 OF THIS SUBTITLE; AND~~

27 [(0)] (10) ~~the remainder to the Education Trust Fund established under~~
28 ~~§ 9-1A-30 of this subtitle.~~

29 (e) (1) ~~For the first [10] 15 years of operations at a video lottery facility in~~
30 ~~Allegany County, on a properly approved transmittal prepared by the Commission, the~~
31 ~~Comptroller shall pay the following amounts from the proceeds of video lottery terminals~~
32 ~~at a video lottery facility in Allegany County:~~

HOUSE BILL 811

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

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

5 (iii) ~~[2.75%] 5.5% in local impact grants, in accordance with §~~
6 ~~9-1A-31 of this subtitle;~~

7 (iv) ~~2.5% to the Purse Dedication Account established under §~~
8 ~~9-1A-28 of this subtitle;~~

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

11 (vi) ~~the remainder to the Education Trust Fund established under §~~
12 ~~9-1A-30 of this subtitle.~~

13 (2) ~~After the first [10] 15 years of operations at a video lottery facility in~~
14 ~~Allegany County, the proceeds generated at the facility in Allegany County shall be~~
15 ~~allocated as provided in subsections (a) and (b) of this section.~~

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.