

HOUSE BILL 802

C7

9lr1115

By: **Delegate Wilkins**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery and Gaming Control Commission – Adjustment to the Distribution**
3 **of Video Lottery Terminal Proceeds – Repeal**

4 FOR the purpose of repealing the authority of the State Lottery and Gaming Control
5 Commission to adjust, under certain circumstances, the distribution of proceeds from
6 video lottery terminals in Baltimore City, Anne Arundel County, and Cecil County;
7 and generally relating to the distribution of video lottery terminal proceeds.

8 BY repealing

9 Article – State Government

10 Section 9–1A–37(c)

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2018 Supplement)

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

15 **Article – State Government**

16 9–1A–37.

17 [(c) (1) Subject to paragraphs (2) through (5) of this subsection, if a video
18 lottery operation license is awarded to a video lottery facility in Prince George’s County,
19 the Commission may increase for a video lottery facility located in:

20 (i) Anne Arundel County, by not more than 2% of the proceeds from
21 video lottery terminals at the video lottery facility, the percentage under § 9–1A–27(a)(8)
22 of this subtitle; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Baltimore City, by not more than 3% of the proceeds from video
2 lottery terminals at the video lottery facility, the percentage under § 9–1A–27(a)(8) of this
3 subtitle.

4 (2) If the Commission increases the percentage of proceeds from video
5 lottery terminals for the video lottery facility in Anne Arundel County under paragraph (1)
6 of this subsection, the Commission shall increase the percentage of proceeds for the video
7 lottery facility in Baltimore City by at least the same percentage point increase as for Anne
8 Arundel County.

9 (3) (i) If a video lottery operation license is awarded to a video lottery
10 facility in Prince George’s County, the Commission may increase for a video lottery facility
11 in Cecil County, by not more than 5% of the proceeds from video lottery terminals at the
12 video lottery facility, the percentage under § 9–1A–27(a)(2) of this subtitle.

13 (ii) Any increased distribution of video lottery terminal proceeds
14 under this paragraph for a video lottery facility in Cecil County shall be used for:

15 1. marketing, advertising, and promotional costs required
16 under § 9–1A–23 of this subtitle; and

17 2. capital improvements at the video lottery facility.

18 (4) (i) On or before January 1, 2019, the Commission shall determine
19 any adjustment authorized under paragraph (1) of this subsection to the percentage under
20 § 9–1A–27(a)(8) of this subtitle or under paragraph (3) of this subsection.

21 (ii) Any adjustment authorized under this subsection may not take
22 effect:

23 1. until a video lottery operation license is issued to a video
24 lottery facility in Prince George’s County; and

25 2. earlier than July 1, 2019.

26 (5) Before the Commission may make a determination on any adjustment
27 under this subsection, the Commission shall report to the Governor and the General
28 Assembly, in accordance with § 2–1246 of this article, on:

29 (i) the impact on existing facilities from a video lottery facility
30 located in Prince George’s County;

31 (ii) unexpected monetary gains to licensees from factors including
32 the delayed opening of other facilities;

33 (iii) the monetary benefit to existing licensees from the removal of
34 statutory or regulatory restrictions on video lottery operations;

1 (iv) increased revenue to licensees from the authorization of table
2 games;

3 (v) the impact of any adjustments to the Education Trust Fund;

4 (vi) the tax implications, if any, and cost of the ownership of the video
5 lottery terminals by video lottery facilities; and

6 (vii) any other factors related to the gaming market in Maryland and
7 the ability of the State gaming program to compete with surrounding states.]

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2019.