

Chapter 257

(House Bill 942)

AN ACT concerning

~~Horse Racing~~ – Satellite Simulcast Betting Facilities and Permit Holders and Sports Wagering Facilities – Alterations

FOR the purpose of providing that certain zoning approval is not required to use a facility for satellite simulcast betting if the facility is properly zoned for certain gaming activities; authorizing the State Racing Commission to waive review of an applicant for a satellite simulcast betting permit if the applicant is licensed to conduct certain gaming activities; repealing certain requirements for the standard of and amenities offered by a satellite simulcast facility; altering certain requirements for the operation of pari-mutuel betting equipment by certain horse racing licensees; altering certain provisions of law governing the awarding of certain sports wagering facility licenses to facilities located within a certain distance of certain other sports wagering facilities; and generally relating to satellite simulcast betting on horse racing and sports wagering.

BY repealing and reenacting, without amendments,
 Article – Business Regulation
 Section 11-101(a), (d), and (i)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
 Article – Business Regulation
 Section 11-817, 11-818, and 11-825
 Annotated Code of Maryland
 (2015 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Government
 Section 9-1E-04(a) and 9-1E-06(a)(2)(i)
 Annotated Code of Maryland
 (2021 Replacement Volume)

BY adding to
 Article – State Government
 Section 9-1E-04(c)
 Annotated Code of Maryland
 (2021 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Government

Section 9-1E-06(a)(3)
Annotated Code of Maryland
(2021 Replacement Volume)

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

Article – Business Regulation

11-101.

- (a) In this title the following words have the meanings indicated.
- (d) “Commission” means the State Racing Commission.
- (i) “Licensee” means a person who has been awarded racing days for the current calendar year.

11-817.

- (a) A person must have a permit granted by the Commission whenever the person holds satellite simulcast betting.
- (b) **(1) [Nothing] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, NOTHING** in this Part III of this subtitle may preempt local zoning laws or ordinances.

(2) THE USE OF A FACILITY FOR SATELLITE SIMULCAST BETTING IS NOT REQUIRED TO BE SUBMITTED TO OR APPROVED BY ANY COUNTY OR MUNICIPAL ZONING BOARD, AUTHORITY, OR UNIT IF THE FACILITY IS PROPERLY ZONED AND OPERATING FOR THE FOLLOWING ACTIVITIES:

- (I) OPERATION OF A VIDEO LOTTERY FACILITY;**
- (II) OPERATION OF A SPORTS WAGERING FACILITY; OR**
- (III) OPERATION OF ELECTRONIC BINGO OR ELECTRONIC TIP JAR MACHINES.**

11-818.

- (a) Any person may apply for a permit.
- (b) An applicant for a permit shall submit to the executive director of the Commission an application in the form that the Commission requires.

(c) Except as provided in subsection (e) of this section, the Commission shall conduct a personal and financial background check of an applicant for a permit including:

(1) a review, by a certified public accountant, of the certified financial statements of the applicant, including contingent or pledged liabilities, sufficient to determine the ability of the applicant to purchase or lease, and develop and maintain the satellite simulcast facility for which the permit is sought;

(2) an income statement of the applicant for the most recent year;

(3) a statement of financial and related records of any person in which the applicant has at least a majority interest;

(4) a disclosure of all financial interests in horse racing and any other legalized betting activity;

(5) the disclosure of each person who is a beneficial owner of the applicant;

(6) with the assistance of federal, State, and local law enforcement authorities, a criminal background review; and

(7) a character review.

(d) The Commission shall adopt regulations establishing uniform procedures for conducting the personal and financial background check required by this section.

(e) The Commission may waive [portions] **ALL OR ANY PORTION** of the review that it determines to be appropriate for any applicant that is:

(1) a licensee;

(2) **A VIDEO LOTTERY OPERATION LICENSEE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE; OR**

(3) **A SPORTS WAGERING FACILITY LICENSEE UNDER TITLE 9, SUBTITLE 1E OF THE STATE GOVERNMENT ARTICLE.**

11-825.

(a) A satellite simulcast facility:

(1) shall be in premises owned or leased by a permit holder;

(2) may not be within a 35-mile radius of any mile thoroughbred track or harness track unless approved by the track licensee, the group that represents a majority

of the applicable owners and trainers licensed in the State and the group that represents a majority of the applicable breeders in the State, considered separately;

(3) unless the track agrees otherwise, may not operate during hours on those days that racing with pari-mutuel betting is permitted at a racetrack located in this State within a 35-mile radius of the satellite simulcast facility; and

(4) shall offer pari-mutuel betting facilities and amenities that the Commission finds are[:

(i) comparable to those available in the sports palace facilities of the mile thoroughbred racing licensees including:

1. high quality dining, lounge, and seating areas that are of a manner generally found in fine restaurants; and

2. teletheatre screen capacity; and

(ii)] appropriate for the area where the satellite simulcast facility is located.

(b) (1) A mile thoroughbred racing licensee or a harness racing licensee:

(I) shall own or lease the pari-mutuel betting equipment at a satellite simulcast facility; and

(II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, shall, with its employees, operate the equipment.

(2) (I) IN THIS PARAGRAPH, “SPORTS WAGERING LICENSEE” HAS THE MEANING STATED IN § 9-1E-01 OF THE STATE GOVERNMENT ARTICLE.

(II) SUBJECT TO THE APPROVAL OF THE COMMISSION AND THE STATE LOTTERY AND GAMING CONTROL COMMISSION:

1. A SELF-SERVICE KIOSK AT A SATELLITE SIMULCAST FACILITY THAT IS LOCATED IN A SPORTS WAGERING FACILITY MAY ACCEPT BOTH SATELLITE SIMULCAST BETS AND SPORTS WAGERS, PROVIDED THAT THE KIOSK SEPARATELY ACCOUNTS FOR THE DIFFERENT TYPES OF WAGERS AND MEETS ALL SPECIFICATIONS AND REQUIREMENTS ESTABLISHED BY REGULATION BY THE STATE LOTTERY GAMING CONTROL COMMISSION; AND

2. A MILE THOROUGHBRED RACING LICENSEE OR A HARNESS RACING LICENSEE MAY ENTER INTO AN AGREEMENT WITH A SPORTS

WAGERING LICENSEE AUTHORIZING THE EMPLOYEES OF THE SPORTS WAGERING LICENSEE TO OPERATE THE PARI-MUTUEL BETTING EQUIPMENT AND TO ACCEPT PARI-MUTUEL BETS ON HORSE RACING IN A SATELLITE SIMULCAST FACILITY.

(c) A mile thoroughbred racing licensee or a harness racing licensee shall submit to the Commission all contracts and agreements relating to satellite simulcast betting under this subtitle.

(d) (1) The Commission shall periodically be assured by permit holders that facilities continue to meet the requirements of this section.

(2) (i) The Commission shall inspect satellite simulcast facilities at least four times each year to determine if the permit holders are continuing to comply with the provisions of this section.

(ii) The inspections under this subsection shall include evaluations of the financial and physical conditions of each satellite simulcast facility.

(3) If the Commission finds that a permit holder is not complying with the provisions of this section, the Commission may impose a penalty on the permit holder similar to those penalties levied on licensees as provided under § 11-308 of this title.

Article – State Government

9-1E-04.

(a) Except as otherwise provided in this subtitle, the Commission shall regulate sports wagering and the conduct of sports wagering to the same extent that the Commission regulates the operation of video lottery terminals and table games under Subtitle 1A of this title.

(C) THE COMMISSION MAY ADOPT REGULATIONS AUTHORIZING A SPORTS WAGERING LICENSEE, IF A SATELLITE SIMULCAST FACILITY IS LOCATED IN THE LICENSEE'S SPORTS WAGERING FACILITY, TO ALLOW ITS EMPLOYEES TO:

(1) ACCEPT SATELLITE SIMULCAST BETS ON HORSE RACING; AND

(2) OPERATE KIOSKS CAPABLE OF ACCEPTING BOTH SPORTS WAGERS AND SATELLITE SIMULCAST BETS.

9-1E-06.

(a) (2) (i) *The Commission shall issue a Class B-1 or Class B-2 sports wagering facility license to an applicant that meets the requirements for licensure under this subtitle who is:*

1. the holder of a license issued by the State Racing Commission under § 11-524 of the Business Regulation Article, including a subsidiary of the license holder;

2. a person who is the owner or lessee of a facility approved for satellite simulcast betting before January 1, 2021, unless the satellite simulcast facility is located at a video lottery facility or a racetrack; and

3. a person who holds a commercial bingo license, if the facility at which the person operates commercial bingo was permitted to operate at least 200 electronic bingo machines or electronic tip jar machines on January 1, 2021.

(3) (I) The Sports Wagering Application Review Commission established under § 9-1E-15 of this subtitle may not award a Class B-1 or B-2 sports wagering facility license to an applicant:

[(i)] 1. who is eligible to apply for a Class A-1 or A-2 sports wagering facility license under paragraph (1) of this subsection;

[(ii)] 2. who holds a Class A-1 or A-2 sports wagering facility license; or

[(iii)] 3. whose sports wagering facility will be located:

[1.] A. EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, within a 15-mile radius of a Class A-1 or A-2 sports wagering facility located in Allegany County, Cecil County, or Worcester County; [or]

B. WITH RESPECT TO AN APPLICATION FOR A SPORTS WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 15-MILE RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED IN CHARLES COUNTY;

C. WITH RESPECT TO AN APPLICATION FOR A SPORTS WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 10-MILE RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED IN CARROLL COUNTY;

D. WITH RESPECT TO AN APPLICATION FOR A SPORTS WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 5-MILE RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A

PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED IN FREDERICK COUNTY; OR

[2.] E. within a 1.5-mile radius of a Class A-1 or A-2 sports wagering facility located in a county not described under [item 1] ITEM A, B, C, OR D of this item or any other Class B-1 or B-2 sports wagering facility.

(II) 1. THE PROHIBITION UNDER SUBPARAGRAPH (I)3A OF THIS PARAGRAPH DOES NOT APPLY IN ALLEGANY COUNTY PRIOR TO THE ISSUANCE OF A CLASS A-1 OR A-2 SPORTS WAGERING FACILITY LICENSE IN ALLEGANY COUNTY.

2. A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSE ISSUED WITHIN A 15-MILE RADIUS OF A CLASS A-1 OR A-2 SPORTS WAGERING FACILITY IN ALLEGANY COUNTY MAY BE RENEWED IF THE LICENSE WAS INITIALLY ISSUED PRIOR TO THE ISSUANCE OF THE CLASS A-1 OR A-2 LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved by the Governor, May 12, 2022.