

SENATE BILL 537

C7

3lr2444

By: **Senator King**

Introduced and read first time: February 3, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 2023

CHAPTER _____

1 AN ACT concerning

2 **Gaming – Video Lottery Operation License – Renewal**

3 FOR the purpose of requiring that a certain number of years before the expiration of a
4 certain term of a video lottery operation license the licensee file a certain notice with
5 the State Lottery and Gaming Control Commission; requiring a video lottery
6 operation licensee, within a certain number of years after filing a certain notice, to
7 file an application to renew a certain license that includes a certain payment;
8 requiring the Commission to renew a certain license unless the Commission makes
9 a certain finding; and generally relating to the renewal of video lottery operation
10 licenses.

11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 9–1A–13 and 9–1A–30(c)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2022 Supplement)

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

18 **Article – State Government**

19 9–1A–13.

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 (a) The initial term of a video lottery operation license is 15 years from the date
2 on which the video lottery facility is issued the license by the Commission.

3 (b) During the initial term of a video lottery operation license, the licensee shall
4 provide the Commission with an annual update of the information required under this
5 subtitle for the issuance of a license by the date set by the Commission in regulations and
6 on the form required by the Commission.

7 (c) Two years before the expiration of the **INITIAL 15-YEAR LICENSE term OR**
8 **A RENEWAL TERM** of a video lottery operation license, the licensee shall file with the
9 Commission a notice of intent to [reapply for] **APPLY FOR RENEWAL OF** the license under
10 this subtitle.

11 (d) **(1) THIS SUBSECTION APPLIES TO THE FIRST RENEWAL OF A VIDEO**
12 **LOTTERY OPERATION LICENSE FOLLOWING THE INITIAL 15-YEAR TERM AND EACH**
13 **SUBSEQUENT RENEWAL OF THE LICENSE.**

14 **(2) A RENEWAL OF A VIDEO LOTTERY OPERATION LICENSE IS FOR A**
15 **TERM OF 10 YEARS.**

16 **(3) Within 1 year [of the end of the initial 15-year license term] AFTER**
17 **FILING A NOTICE OF INTENT UNDER SUBSECTION (C) OF THIS SECTION,** a video lottery
18 operation licensee [may reapply for a] **SHALL FILE AN APPLICATION TO RENEW A VIDEO**
19 **LOTTERY OPERATION license [that has a license term of 10 years and a] THAT INCLUDES**
20 **THE PAYMENT OF THE license RENEWAL fee to be established by [statute] THE**
21 **COMMISSION BY REGULATION.**

22 **(4) ON PROPER APPLICATION FOR RENEWAL OF A VIDEO LOTTERY**
23 **OPERATION LICENSE, THE COMMISSION SHALL RENEW THE LICENSE UNLESS THE**
24 **COMMISSION FINDS THAT THE LICENSEE IS NO LONGER QUALIFIED UNDER THIS**
25 **SUBTITLE TO HOLD A LICENSE.**

26 **(5) BEFORE DENYING AN APPLICATION UNDER THIS SUBSECTION,**
27 **THE COMMISSION SHALL PROVIDE THE VIDEO LOTTERY OPERATION LICENSEE AN**
28 **OPPORTUNITY FOR A HEARING.**

29 **(6) THE COMMISSION SHALL PAY THE RENEWAL LICENSE FEES**
30 **SUBMITTED UNDER PARAGRAPH (3) OF THIS SUBSECTION TO THE EDUCATION**
31 **TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

32 ~~**(6)**~~ **(7) THE COMMISSION, BY REGULATION, SHALL:**

33 **(1) ESTABLISH AN APPLICATION PROCESS TO RENEW A VIDEO**
34 **LOTTERY OPERATION LICENSE; AND**

1 (II) SET THE LICENSE FEE FOR RENEWAL OF A VIDEO LOTTERY
2 OPERATION LICENSE, AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

3 (e) If a licensee has its license revoked or otherwise surrenders the license, the
4 video lottery operation license reverts to the State.

5 9-1A-30.

6 (c) (1) There shall be credited to the Education Trust Fund:

7 (I) all proceeds allocated to the Fund under § 9-1A-27 of this
8 subtitle [and];

9 (II) all judgments paid to the Fund under § 11-210 of the Education
10 Article; AND

11 (III) RENEWAL LICENSE FEES PAID TO THE FUND UNDER §
12 9-1A-13 OF THIS SUBTITLE.

13 (2) Money in the Education Trust Fund shall be invested and reinvested
14 by the Treasurer, and interest and earnings shall accrue to the Fund.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.