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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 537 – Gaming - Video Lottery Operation License – Renewal

March 1, 2023

Mister Chair and Members of the Budget & Taxation Committee:

Under current law, an initial license for a video lottery operation expires after 15 years and a license holder must file a notice of intent to reapply for a renewal two years prior to the expiration of the license. The first license was issued in 2010 and the license will expire in 2025, so their notice of renewal will be due this year.

The lack of a clear process and standard for renewing the licenses in the current law will create problems as licensees try to raise capital to reinvest in their facilities to keep them competitive and attractive, and potential lenders and investors look for clarity around the process to renew licenses before they commit funding for capital improvements.

Senate Bill 537 clarifies the process to renew the State's Video Lottery Terminal (VLT) operation licenses at the end of their initial and any subsequent terms and sets the renewal term to ten years. The bill further allows the State Lottery and Gaming Control Commission (Commission) to establish a renewal application process and to set the license fee for renewal.

The bill also sets a process for VLT licensees to appeal should the Commission find that the licensee no longer qualifies to hold a license. By allowing the Commission to set the standards for renewal, we will ensure that VLT operators continue to meet and uphold the rigorous qualification requirements imposed on them through Maryland law.

I respectfully request a favorable report on Senate Bill 537.