

SENATE BILL 437

C7

9lr2478
CF HB 538

By: **Senator Edwards**

Introduced and read first time: February 1, 2019

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 2019

CHAPTER _____

1 AN ACT concerning

2 **Allegany County – Video Lottery Terminals – Distribution of Proceeds**

3 FOR the purpose of repealing the alteration of the distribution of proceeds from video
4 lottery terminals at a facility in Allegany County after a certain number of years of
5 operations at the facility; making conforming changes; and generally relating to the
6 distribution of proceeds from video lottery terminals at a facility in Allegany County.

7 BY repealing and reenacting, with amendments,

8 Article – State Government

9 Section 9–1A–01(u)(3)(ii), 9–1A–26(a)(3), and 9–1A–27(b) and (c)

10 Annotated Code of Maryland

11 (2014 Replacement Volume and 2018 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – State Government

14 Section 9–1A–27(a)(7)(iii)

15 Annotated Code of Maryland

16 (2014 Replacement Volume and 2018 Supplement)

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

19 **Article – State Government**

20 9–1A–01.

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 (u) (3) (ii) After the first fiscal year of operations, the exclusion specified in
2 subparagraph (i) of this paragraph may not exceed a percentage established by the
3 Commission by regulation of the proceeds received from video lottery terminals and table
4 games in the prior fiscal year by the video lottery operation licensee under § 9-1A-27(a)(2),
5 [(c)(1)(ii)] **(C)(2)**, and (d)(1) of this subtitle.

6 9-1A-26.

7 (a) (3) The amount from the proceeds of video lottery terminals to be paid to
8 video lottery operation licensees under § 9-1A-27(a)(2), (7), and (8), (b), and [(c)(1)(ii)]
9 **(C)(1)** and (2) of this subtitle shall be retained by the licensee.

10 9-1A-27.

11 (a) Except as provided in subsections (b) and (c) of this section and §
12 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the
13 Commission, the Comptroller shall pay the following amounts from the proceeds of video
14 lottery terminals at each video lottery facility:

15 (7) (iii) 10% to the video lottery operation licensee in Allegany County or
16 Worcester County if the video lottery operation licensee assumes ownership or the right to
17 lease each video lottery terminal device and the associated equipment and software used
18 by the facility before January 1, 2019;

19 (b) (1) Beginning July 1, 2013, for a video lottery facility in Worcester County
20 with less than 1,000 video lottery terminals, the percentage in subsection (a)(2) of this
21 section is equal to 43% provided that each year an amount equivalent to 2.5% of the
22 proceeds from video lottery terminals at the video lottery facility is spent on capital
23 improvements at the video lottery facility.

24 (2) [After the first 10 years of operations at a video lottery facility in
25 Allegany County, the percentage:

26 (i) in subsection (a)(2) of this section is equal to 43% provided that
27 each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the
28 video lottery facility is spent on capital improvements at the video lottery facility; and

29 (ii) in subsection (a)(1) of this section is equal to 2%.

30 **(3)]** For a video lottery facility in Prince George's County, the percentage in
31 subsection (a)(2) of this section stated in the accepted application for the location may not
32 exceed 38%.

33 (c) **[(1)]** For [the first 10 years of operations at] a video lottery facility in
34 Allegany County, on a properly approved transmittal prepared by the Commission, the

1 Comptroller shall pay the following amounts from the proceeds of video lottery terminals
2 at a video lottery facility in Allegany County:

3 [(i)] (1) 1% to the State Lottery and Gaming Control Agency for
4 costs as defined in § 9–1A–01 of this subtitle;

5 [(ii)] (2) to the video lottery operation licensee, the percentage
6 stated in the accepted application for the location, not to exceed 50%;

7 [(iii)] (3) 3.75% in local impact grants, in accordance with §
8 9–1A–31 of this subtitle;

9 [(iv)] (4) 2.5% to the Purse Dedication Account established under §
10 9–1A–28 of this subtitle;

11 [(v) 1.] (5) (I) except as provided in items [2 and 3] (II) AND (III)
12 of this item, 0.75% to the Small, Minority, and Women–Owned Businesses Account
13 established under § 5–1501 of the Economic Development Article;

14 [2.] (II) for fiscal year 2018, 0.75% to the General Fund to
15 pay a portion of the costs of the grants provided under Chapters 6 and 607 of the Acts of
16 the General Assembly of 2017; and

17 [3.] (III) for fiscal years 2019 and 2020, 0.75% to the
18 Education Trust Fund established under § 9–1A–30 of this subtitle; and

19 [(vi)] (6) the remainder to the Education Trust Fund established
20 under § 9–1A–30 of this subtitle.

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

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2019.