

SENATE BILL 338

C7

0lr2369
CF HB 435

By: **Senator Edwards**

Introduced and read first time: January 23, 2020

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2020

CHAPTER _____

1 AN ACT concerning

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

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

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 9–1A–01(u)(3)(ii), 9–1A–26(a)(3), and 9–1A–27(b) and (c)
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – State Government
16 Section 9–1A–27(a)(7)(iii)
17 Annotated Code of Maryland
18 (2014 Replacement Volume and 2019 Supplement)

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

21 **Article – State Government**

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 9-1A-01.

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

7 9-1A-26.

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

11 9-1A-27.

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

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

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

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

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

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

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

(c) ~~¶(1)~~ For ~~the~~ first 10 years of operations at ~~a~~ video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

~~¶(i)~~ ~~(1)~~ 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

~~¶(ii)~~ ~~(2)~~ to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

~~¶(iii)~~ ~~(3)~~ ~~3.75%~~ ~~5.5%~~ in local impact grants, in accordance with § 9-1A-31 of this subtitle;

~~¶(iv)~~ ~~(4)~~ ~~2.5%~~ ~~0.75%~~ to the Purse Dedication Account established under § 9-1A-28 of this subtitle;

~~¶(v)~~ 1. ~~(5)~~ ~~(1)~~ except as provided in items ~~2~~ and ~~3~~ ~~(11)~~ ~~AND (11)~~ of this item, 0.75% to the Small, Minority, and Women-Owned Businesses Account established under § 5-1501 of the Economic Development Article;

~~2.~~ ~~(11)~~ for fiscal year 2018, 0.75% to the General Fund to pay a portion of the costs of the grants provided under Chapters 6 and 607 of the Acts of the General Assembly of 2017; and

~~3.~~ ~~(11)~~ for fiscal years 2019 and 2020, 0.75% to the Education Trust Fund established under § 9-1A-30 of this subtitle; and

~~¶(vi)~~ ~~(6)~~ the remainder to the Education Trust Fund established under § 9-1A-30 of this subtitle.

~~¶(2)~~ After the first 10 years of operations at a video lottery facility in Allegany County, ~~the proceeds generated at the facility in Allegany County shall be allocated as provided in subsections (a) and (b) of this section.~~ ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT A VIDEO LOTTERY FACILITY IN ALLEGANY COUNTY:

(I) 1% TO THE STATE LOTTERY AND GAMING CONTROL AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE;

(II) 58.25% TO THE VIDEO LOTTERY OPERATION LICENSEE;

(III) 5.5% TO LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31 OF THIS SUBTITLE;

1 **(IV) 2.5% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED**
2 **UNDER § 9-1A-28 OF THIS SUBTITLE;**

3 **(V) 0.75% TO THE SMALL, MINORITY, AND WOMEN-OWNED**
4 **BUSINESSES ACCOUNT ESTABLISHED UNDER § 5-1501 OF THE ECONOMIC**
5 **DEVELOPMENT ARTICLE; AND**

6 **(VI) THE REMAINDER TO THE EDUCATION TRUST FUND**
7 **ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.