

HOUSE BILL 1126

C7

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By: **Delegates Ebersole, M. Jackson, Solomon, and Wilkins**

Introduced and read first time: February 6, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Operation License – Renewal**

3 FOR the purpose of altering the number of years before the end of the term of a video lottery
4 operation license that a licensee is required to provide certain notice of intent to
5 renew the license and is authorized to apply for renewal; providing for the term of a
6 renewed license; requiring the State Lottery and Gaming Control Commission to
7 renew a certain license unless the Commission makes a certain finding; requiring
8 the Commission, under certain circumstances, to provide a licensee a certain
9 hearing; requiring a licensee to pay a certain annual fee for the length of the renewal
10 license term under certain circumstances; requiring the Commission, on a certain
11 date each year, to adjust the fee to reflect a certain increase in a certain Consumer
12 Price Index; providing that all renewal license fees paid under this Act shall be paid
13 to a certain special fund; providing that certain provisions of law relating to the
14 renewal of certain licenses do not apply to video lottery operation licenses; and
15 generally relating to the renewal of video lottery operation licenses.

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–1A–13, 9–1A–17, and 9–1A–30(b)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2019 Supplement)

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

23 **Article – State Government**

24 9–1A–13.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

(c) [Two years] **AT LEAST 2 YEARS BUT NOT MORE THAN 5 YEARS** before the expiration of the **INITIAL 15-YEAR LICENSE** term **OR A RENEWAL TERM** of a video lottery operation license, the licensee shall file with the Commission a notice of intent to [reapply for] **APPLY FOR RENEWAL OF** the license under this subtitle.

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

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

(3) [Within 1 year of] AT LEAST 1 YEAR BUT NOT MORE THAN 5 YEARS BEFORE the end of the initial 15-year license term **OR A RENEWAL TERM**, a video lottery operation licensee may [reapply for a] **FILE AN APPLICATION TO RENEW A VIDEO LOTTERY OPERATION** license [that has a license term of 10 years and a license fee to be established by statute].

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

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

(6) (I) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR EACH YEAR OF THE RENEWAL LICENSE TERM, THE VIDEO LOTTERY OPERATION LICENSEE SHALL PAY AN ANNUAL FEE OF \$500 FOR EACH VIDEO LOTTERY TERMINAL AND EACH TABLE GAME THAT IS AUTHORIZED FOR OPERATION AT THE VIDEO LOTTERY FACILITY.

(II) THE VIDEO LOTTERY OPERATION LICENSEE SHALL PAY THE FEE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. FOR THE FIRST YEAR OF THE 15-YEAR TERM, ON THE EFFECTIVE DATE OF THE RENEWED LICENSE; AND

1 **2. FOR THE REMAINING 14 YEARS OF THE**
2 **15-YEAR TERM, IF THE LICENSEE REMAINS QUALIFIED TO HOLD A LICENSE UNDER**
3 **THIS SUBTITLE, ON THE DATE OF THE ANNIVERSARY OF THE EFFECTIVE DATE OF**
4 **THE RENEWED LICENSE.**

5 **(III) BEGINNING OCTOBER 1, 2021, AND EACH OCTOBER 1**
6 **THEREAFTER, THE COMMISSION SHALL ADJUST THE FEE ESTABLISHED UNDER**
7 **SUBPARAGRAPH (I) OF THIS PARAGRAPH TO REFLECT ANY AGGREGATE INCREASE**
8 **IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR THE**
9 **WASHINGTON METROPOLITAN AREA, OR ANY SUCCESSOR INDEX, FOR THE**
10 **PREVIOUS YEAR.**

11 **(IV) THE COMMISSION SHALL PAY THE RENEWAL LICENSE FEES**
12 **SUBMITTED UNDER THIS PARAGRAPH TO THE EDUCATION TRUST FUND**
13 **ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

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

16 9-1A-17.

17 **(A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION**
18 **LICENSE.**

19 **(B)** Subject to the power of the Commission to deny, revoke, or suspend a license,
20 a license in force may be renewed by the Commission for the next succeeding license period
21 on:

22 (1) proper application for renewal; and

23 (2) payment of all required application, license, and other fees and taxes.

24 9-1A-30.

25 (b) (1) There shall be credited to the Education Trust Fund all:

26 **(I)** proceeds allocated to the Fund under § 9-1A-27 of this subtitle;

27 **AND**

28 **(II) RENEWAL LICENSE FEES PAID TO THE FUND UNDER §**
29 **9-1A-13 OF THIS SUBTITLE.**

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

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