

# HOUSE BILL 435

C7

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CF SB 338

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By: **Allegany County Delegation**

Introduced and read first time: January 23, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

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; altering the distribution of proceeds from video lottery  
6 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**

22 9–1A–01.

23 (u) (3) (ii) After the first fiscal year of operations, the exclusion specified in  
24 subparagraph (i) of this paragraph may not exceed a percentage established by the  
25 Commission by regulation of the proceeds received from video lottery terminals and table

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 games in the prior fiscal year by the video lottery operation licensee under § 9-1A-27(a)(2),  
2 [(c)(1)(ii)] (C)(2), and (d)(1) of this subtitle.

3 9-1A-26.

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

7 9-1A-27.

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

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

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

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

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

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

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

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

34 [(i)] (1) 1% to the State Lottery and Gaming Control Agency for

1 costs as defined in § 9–1A–01 of this subtitle;

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

4                    [(iii)] **(3)** [3.75%] **5.5%** in local impact grants, in accordance with §  
5 9–1A–31 of this subtitle;

6                    [(iv)] **(4)** [2.5%] **0.75%** to the Purse Dedication Account established  
7 under § 9–1A–28 of this subtitle;

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

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

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

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

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

21                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
22 1, 2020.