

HOUSE BILL 942

C7, C6

(2lr2517)

ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegate Luedtke**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~Horse Racing~~ **Satellite Simulcast Betting Facilities and Permit Holders *and***
3 ***Sports Wagering Facilities* – Alterations**

4 FOR the purpose of providing that certain zoning approval is not required to use a facility
5 for satellite simulcast betting if the facility is properly zoned for certain gaming
6 activities; authorizing the State Racing Commission to waive review of an applicant
7 for a satellite simulcast betting permit if the applicant is licensed to conduct certain
8 gaming activities; repealing certain requirements for the standard of and amenities
9 offered by a satellite simulcast facility; altering certain requirements for the
10 operation of pari-mutuel betting equipment by certain horse racing licensees;
11 *altering certain provisions of law governing the awarding of certain sports wagering*
12 *facility licenses to facilities located within a certain distance of certain other sports*
13 *wagering facilities*; and generally relating to satellite simulcast betting on horse
14 racing *and sports wagering*.

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.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, without amendments,
2 Article – Business Regulation
3 Section 11–101(a), (d), and (i)
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2021 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Business Regulation
8 Section 11–817, 11–818, and 11–825
9 Annotated Code of Maryland
10 (2015 Replacement Volume and 2021 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article – State Government
13 Section 9–1E–04(a) *and 9–1E–06(a)(2)(i)*
14 Annotated Code of Maryland
15 (2021 Replacement Volume)

16 BY adding to
17 Article – State Government
18 Section 9–1E–04(c)
19 Annotated Code of Maryland
20 (2021 Replacement Volume)

21 *BY repealing and reenacting, with amendments,*
22 *Article – State Government*
23 *Section 9–1E–06(a)(3)*
24 *Annotated Code of Maryland*
25 *(2021 Replacement Volume)*

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

28 **Article – Business Regulation**

29 11–101.

30 (a) In this title the following words have the meanings indicated.

31 (d) “Commission” means the State Racing Commission.

32 (i) “Licensee” means a person who has been awarded racing days for the current
33 calendar year.

34 11–817.

1 (a) A person must have a permit granted by the Commission whenever the person
2 holds satellite simulcast betting.

3 (b) **(1) [Nothing] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
4 **SUBSECTION, NOTHING** in this Part III of this subtitle may preempt local zoning laws or
5 ordinances.

6 **(2) THE USE OF A FACILITY FOR SATELLITE SIMULCAST BETTING IS**
7 **NOT REQUIRED TO BE SUBMITTED TO OR APPROVED BY ANY COUNTY OR MUNICIPAL**
8 **ZONING BOARD, AUTHORITY, OR UNIT IF THE FACILITY IS PROPERLY ZONED AND**
9 **OPERATING FOR THE FOLLOWING ACTIVITIES:**

10 **(I) OPERATION OF A VIDEO LOTTERY FACILITY;**

11 **(II) OPERATION OF A SPORTS WAGERING FACILITY; OR**

12 **(III) OPERATION OF ELECTRONIC BINGO OR ELECTRONIC TIP**
13 **JAR MACHINES.**

14 11–818.

15 (a) Any person may apply for a permit.

16 (b) An applicant for a permit shall submit to the executive director of the
17 Commission an application in the form that the Commission requires.

18 (c) Except as provided in subsection (e) of this section, the Commission shall
19 conduct a personal and financial background check of an applicant for a permit including:

20 (1) a review, by a certified public accountant, of the certified financial
21 statements of the applicant, including contingent or pledged liabilities, sufficient to
22 determine the ability of the applicant to purchase or lease, and develop and maintain the
23 satellite simulcast facility for which the permit is sought;

24 (2) an income statement of the applicant for the most recent year;

25 (3) a statement of financial and related records of any person in which the
26 applicant has at least a majority interest;

27 (4) a disclosure of all financial interests in horse racing and any other
28 legalized betting activity;

29 (5) the disclosure of each person who is a beneficial owner of the applicant;

30 (6) with the assistance of federal, State, and local law enforcement
31 authorities, a criminal background review; and

1 (7) a character review.

2 (d) The Commission shall adopt regulations establishing uniform procedures for
3 conducting the personal and financial background check required by this section.

4 (e) The Commission may waive [portions] **ALL OR ANY PORTION** of the review
5 that it determines to be appropriate for any applicant that is:

6 (1) a licensee;

7 (2) **A VIDEO LOTTERY OPERATION LICENSEE UNDER TITLE 9,**
8 **SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE; OR**

9 (3) **A SPORTS WAGERING FACILITY LICENSEE UNDER TITLE 9,**
10 **SUBTITLE 1E OF THE STATE GOVERNMENT ARTICLE.**

11 11-825.

12 (a) A satellite simulcast facility:

13 (1) shall be in premises owned or leased by a permit holder;

14 (2) may not be within a 35-mile radius of any mile thoroughbred track or
15 harness track unless approved by the track licensee, the group that represents a majority
16 of the applicable owners and trainers licensed in the State and the group that represents a
17 majority of the applicable breeders in the State, considered separately;

18 (3) unless the track agrees otherwise, may not operate during hours on
19 those days that racing with pari-mutuel betting is permitted at a racetrack located in this
20 State within a 35-mile radius of the satellite simulcast facility; and

21 (4) shall offer pari-mutuel betting facilities and amenities that the
22 Commission finds are[:

23 (i) comparable to those available in the sports palace facilities of the
24 mile thoroughbred racing licensees including:

25 1. high quality dining, lounge, and seating areas that are of
26 a manner generally found in fine restaurants; and

27 2. teletheatre screen capacity; and

28 (ii)] appropriate for the area where the satellite simulcast facility is
29 located.

1 (b) (1) A mile thoroughbred racing licensee or a harness racing licensee:

2 (I) shall own or lease the pari-mutuel betting equipment at a
3 satellite simulcast facility; and

4 (II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
5 SUBSECTION, shall, with its employees, operate the equipment.

6 (2) (I) IN THIS PARAGRAPH, "SPORTS WAGERING LICENSEE" HAS
7 THE MEANING STATED IN § 9-1E-01 OF THE STATE GOVERNMENT ARTICLE.

8 (II) SUBJECT TO THE APPROVAL OF THE COMMISSION AND THE
9 STATE LOTTERY AND GAMING CONTROL COMMISSION:

10 1. A SELF-SERVICE KIOSK AT A SATELLITE SIMULCAST
11 FACILITY THAT IS LOCATED IN A SPORTS WAGERING FACILITY MAY ACCEPT BOTH
12 SATELLITE SIMULCAST BETS AND SPORTS WAGERS, PROVIDED THAT THE KIOSK
13 SEPARATELY ACCOUNTS FOR THE DIFFERENT TYPES OF WAGERS AND MEETS ALL
14 SPECIFICATIONS AND REQUIREMENTS ESTABLISHED BY REGULATION BY THE STATE
15 LOTTERY GAMING CONTROL COMMISSION; AND

16 2. A MILE THOROUGHbred RACING LICENSEE OR A
17 HARNESS RACING LICENSEE MAY ENTER INTO AN AGREEMENT WITH A SPORTS
18 WAGERING LICENSEE AUTHORIZING THE EMPLOYEES OF THE SPORTS WAGERING
19 LICENSEE TO OPERATE THE PARI-MUTUEL BETTING EQUIPMENT AND TO ACCEPT
20 PARI-MUTUEL BETS ON HORSE RACING IN A SATELLITE SIMULCAST FACILITY.

21 (c) A mile thoroughbred racing licensee or a harness racing licensee shall submit
22 to the Commission all contracts and agreements relating to satellite simulcast betting
23 under this subtitle.

24 (d) (1) The Commission shall periodically be assured by permit holders that
25 facilities continue to meet the requirements of this section.

26 (2) (i) The Commission shall inspect satellite simulcast facilities at
27 least four times each year to determine if the permit holders are continuing to comply with
28 the provisions of this section.

29 (ii) The inspections under this subsection shall include evaluations
30 of the financial and physical conditions of each satellite simulcast facility.

31 (3) If the Commission finds that a permit holder is not complying with the
32 provisions of this section, the Commission may impose a penalty on the permit holder
33 similar to those penalties levied on licensees as provided under § 11-308 of this title.

1 **Article – State Government**

2 9–1E–04.

3 (a) Except as otherwise provided in this subtitle, the Commission shall regulate
4 sports wagering and the conduct of sports wagering to the same extent that the Commission
5 regulates the operation of video lottery terminals and table games under Subtitle 1A of this
6 title.

7 **(C) THE COMMISSION MAY ADOPT REGULATIONS AUTHORIZING A SPORTS**
8 **WAGERING LICENSEE, IF A SATELLITE SIMULCAST FACILITY IS LOCATED IN THE**
9 **LICENSEE’S SPORTS WAGERING FACILITY, TO ALLOW ITS EMPLOYEES TO:**

10 **(1) ACCEPT SATELLITE SIMULCAST BETS ON HORSE RACING; AND**

11 **(2) OPERATE KIOSKS CAPABLE OF ACCEPTING BOTH SPORTS WAGERS**
12 **AND SATELLITE SIMULCAST BETS.**

13 9–1E–06.

14 (a) (2) (i) The Commission shall issue a Class B–1 or Class B–2 sports
15 wagering facility license to an applicant that meets the requirements for licensure under this
16 subtitle who is:

17 1. the holder of a license issued by the State Racing
18 Commission under § 11–524 of the Business Regulation Article, including a subsidiary of
19 the license holder;

20 2. a person who is the owner or lessee of a facility approved
21 for satellite simulcast betting before January 1, 2021, unless the satellite simulcast facility
22 is located at a video lottery facility or a racetrack; and

23 3. a person who holds a commercial bingo license, if the
24 facility at which the person operates commercial bingo was permitted to operate at least 200
25 electronic bingo machines or electronic tip jar machines on January 1, 2021.

26 (3) (I) The Sports Wagering Application Review Commission
27 established under § 9–1E–15 of this subtitle may not award a Class B–1 or B–2 sports
28 wagering facility license to an applicant:

29 [(i)] 1. who is eligible to apply for a Class A–1 or A–2 sports
30 wagering facility license under paragraph (1) of this subsection;

31 [(ii)] 2. who holds a Class A–1 or A–2 sports wagering facility
32 license; or

1 [(iii)] 3. whose sports wagering facility will be located:

2 [1.] A. EXCEPT AS PROVIDED UNDER SUBPARAGRAPH
3 (II) OF THIS PARAGRAPH, within a 15-mile radius of a Class A-1 or A-2 sports wagering
4 facility located in Allegany County, Cecil County, or Worcester County; [or]

5 B. WITH RESPECT TO AN APPLICATION FOR A SPORTS
6 WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 15-MILE
7 RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A
8 PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED
9 IN CHARLES COUNTY;

10 C. WITH RESPECT TO AN APPLICATION FOR A SPORTS
11 WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 10-MILE
12 RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A
13 PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED
14 IN CARROLL COUNTY;

15 D. WITH RESPECT TO AN APPLICATION FOR A SPORTS
16 WAGERING FACILITY LICENSE SUBMITTED BEFORE JUNE 1, 2025, WITHIN A 5-MILE
17 RADIUS OF A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY LICENSED TO A
18 PERSON DESCRIBED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND LOCATED
19 IN FREDERICK COUNTY; OR

20 [2.] E. within a 1.5-mile radius of a Class A-1 or A-2
21 sports wagering facility located in a county not described under [item 1] ITEM A, B, C, OR
22 D of this item or any other Class B-1 or B-2 sports wagering facility.

23 (II) 1. THE PROHIBITION UNDER SUBPARAGRAPH (I)3A OF
24 THIS PARAGRAPH DOES NOT APPLY IN ALLEGANY COUNTY PRIOR TO THE ISSUANCE
25 OF A CLASS A-1 OR A-2 SPORTS WAGERING FACILITY LICENSE IN ALLEGANY
26 COUNTY.

27 2. A CLASS B-1 OR B-2 SPORTS WAGERING FACILITY
28 LICENSE ISSUED WITHIN A 15-MILE RADIUS OF A CLASS A-1 OR A-2 SPORTS
29 WAGERING FACILITY IN ALLEGANY COUNTY MAY BE RENEWED IF THE LICENSE WAS
30 INITIALLY ISSUED PRIOR TO THE ISSUANCE OF THE CLASS A-1 OR A-2 LICENSE.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2022.